



**The Effect of Flexible Work Arrangements on Employee Performance: In the case of  
Commercial Bank of Ethiopia**

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Administration Management)

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I declare that this research thesis, " The Effect of Flexible Work Arrangements on Employee Performance: In the case of Commercial Bank of Ethiopia," is my original work. I confirm that it has not been submitted for a degree at any other university, and all sources have been duly acknowledged.

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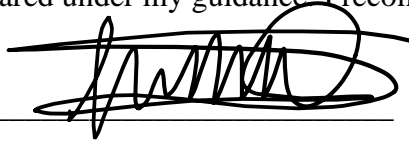
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# Table of Contents

1. Introduction .....	1
1.2 Background of the study .....	1
1.2 Statement of the Problem .....	3
1.3 Research Questions .....	5
1.4 Research Objective.....	5
1.4.1 General Objective .....	5
1.4.2 Specific Objective.....	5
1.5 Significance of the study .....	5
1.6 Scope of the study .....	6
1.8 Definition of Terms .....	6
1.9 Organization of the study .....	7
Chapter Two.....	9
Review of Related Literature .....	9
2. Introduction.....	9
2.1. Theoretical Review .....	9
2.1.1 Spill over Theory .....	9
2.1.2. Self-Determination Theory .....	10
2.1.3. Vrooms Expectancy Theory .....	11
2.1.4. Social Exchange Theory .....	12
2.1.5 Work-Life Balance Theory.....	13
2.1.6 Role Theory .....	13
2.3 Conceptual Review .....	14
2.3.1 Hybrid Work.....	14
2.3.2 Telecommuting.....	15

2.3.3 Remote Work.....	15
2.3.4 Condensed Workweeks .....	15
2.3.5 Flextime .....	16
2.3.6 Part-Time Work.....	16
2.3.7 Shift Work .....	17
2.3.10 Annualized Hours: .....	17
2.4 Empirical Theory.....	17
2.5 Research Gap and Summery .....	20
Table 2.1 Research Gap and Summery .....	20
2.6.1 Telecommuting.....	22
2.6.2 Condensed Workweeks .....	22
2.6.3 Flextime .....	22
2.6.4 Part-Time Work.....	22
2.6.5 Shift Work .....	22
2.7 Employee Performance .....	23
2.7.1 Work Output.....	23
2.7.2 Attendance.....	24
2.8. Conceptual Framework of the study .....	24
2.9 Hypothesis.....	25
3. Introduction.....	26
3.1 Research Design.....	26
3.2 Research Approach .....	26
3.3 Sampling Design .....	27
3.3.1 Target Population .....	27
3.3.2 Sample Size and Determination .....	27
3.3.3 Sampling Technique .....	28
3.4 Source and Methods of Data Collection .....	29

3.5 Measurement Scale .....	29
3.6 Method of Analysis .....	30
3.7 Validity and Reliability .....	31
3.7.1 Validity of the Instrument.....	31
3.7.2 Reliability Test .....	31
3.8 Research Ethics .....	32
4. Introduction.....	33
4.1 Response Rate .....	33
4.2. Demographic Analysis of Respondents .....	34
4.2.1 Age of Respondent .....	35
4.2.2 Gender of Respondent .....	35
4.2.3 Department of Respondents.....	35
4.2.4 Education Level of Respondents .....	35
4.2.5 Total Work Experience of Respondent in CBE.....	35
4.4 Descriptive Statistics Result.....	36
4.4.1 Descriptive Statistics of Telecommuting.....	36
4.4.2 Descriptive Statistics of Condensed Workweeks .....	38
4.4.4 Descriptive Statistics of Part Time Work .....	41
4.4.5 Descriptive Statistics of Shift Work .....	42
4.4.6 Descriptive Statistics of Employee Performance .....	44
4.5 Inferential Statistics Results .....	46
4.5.1 Pearson's Product Moment Correlation Coefficient Test .....	46
4.6 Regression Result.....	48
4.6.1 Residuals Normality Test .....	48
4.6.2 Test of Independence.....	49
4.6. 4 Test of Normality.....	51
4.6.5 Multi Collinerity Tests.....	53

4.6.3 Analysis of Variance /ANOVA/ .....	53
4.6.5 Coefficient of variables .....	54
4.7 Hypothesis Testing .....	56
5.1 Introduction .....	65
5.2 Summary of Major Findings .....	65
5.2.1 Sample Demographics and Participation.....	65
5.2.2 Perceptions and Impacts of Flexible Work Arrangements .....	66
5.2.3 Overall Employee Performance Outcomes .....	68
5.2.4 Overall Regression Model and Assumptions .....	68
5.3 Conclusions .....	69
5.4 Recommendations .....	70
5.5 Limitations of the Study and Suggestions for Further Research .....	72
5.5.2 Suggestions for Further Research.....	72
References.....	74
5. Appendix 1: Questionnaire .....	79
Interview Questions:.....	91

## **Lists of Tables**

Table 2.1 Research Gap and Summery.....	20
Table 3.1 Sample Selection.....	29
Table 3.2 Operationalization and Measurements of Variables.....	30
Table 3.3 Cronbach Alpha.....	31
Table 4.1 Demographic Distribution of Respondents.....	34
Table 4.2 Descriptive Statistics of Telecommuting.....	36
Table 4.3 Descriptive Statistics of Condensed Workweeks	38
Table 4.4 Descriptive Statistics of Flextime	39
Table 4.5 Descriptive Statistics of Part Time Work	41
Table 4.6 Descriptive Statistics of Shift Work	42
Table 4.7 Descriptive Statistics of Employee Performance	44
Table 4.8 Correlation Analysis	46
Table 4.9 Test of Linearity	47
Table 4.10 Test of Independence Employee Performance * Telecommuting	48
Table 4.11 Test of Independence Employee Performance * Condensed Workweeks	49
Table 4.12 Test of Independence Employee Performance * Flextime	49
Table 4.13 Test of Independence Employee Performance * Part Time Work	50
Table 4.14 Test of Independence Employee Performance * Shift Work	51
Table 4.15 Collinearity Statistics	53
Table 4.16 Test of ANOVA	53
Table 4.17 Coefficient	54
Table 4.18 Summary of Hypothesis Test Results	64
References	74

## **Lists of Figures**

<i>Figure 2.1 Conceptual Framework</i> .....,.....	25
Figure 4.1 Regression Standardized Residual	51
Figure 4.2: Normal P-P Plot of Regression Standardized Residual	52

## **List of Abbreviations and Acronyms**

<b>ANOVA</b>	Analysis of Variance
<b>BPO</b>	Business Process Outsourcing
<b>CBE</b>	Commercial Bank of Ethiopia
<b>FWAs</b>	Flexible Work Arrangements
<b>SDT</b>	Self-Determination Theory
<b>SPSS</b>	Statistical Package for Social Science
<b>VIF</b>	Variance Inflation Factor
<b>WLB</b>	Work-life balance

## ABSTRACT

*This study investigates the effect of flexible work arrangements on employee performance at the Commercial Bank of Ethiopia. A quantitative research approach was employed, utilizing a questionnaire to collect data from 338 employees. The study examined five types of flexible work arrangements: telecommuting, condensed workweeks, flextime, part-time work, and shift work. Data analysis included descriptive statistics and multiple linear regression. The findings indicate that flextime, shift work, and condensed workweeks have a significant positive impact on employee performance. Flextime was found to be the strongest positive predictor. Contrary to expectations, telecommuting had a small but statistically significant negative effect on employee performance. Part-time work did not show a significant relationship with employee performance. The results suggest that the bank can enhance employee performance by strategically implementing flextime, shift work, and condensed workweeks. However, the negative effect of telecommuting warrants a review of its current policies and practices within the bank.*

**Keywords:** *Flexible Work Arrangements, Employee Performance, Telecommuting, Condensed Workweeks, Flextime, Shift Work, Part-Time Work, Commercial Bank of Ethiopia*

# Chapter One

## Introduction

### 1. Introduction

While numerous studies have explored the effect of flexible work arrangements (FWAs) on employee performance in developed countries, limited research exists on the effectiveness of FWAs in the context of developing economies like Ethiopia. This thesis aims to address this research gap by investigating the effect of FWAs on employee performance within the Commercial Bank of Ethiopia (CBE). By examining the perspectives of both employees and managers, this research will provide valuable insights into the challenges and opportunities associated with implementing and managing FWAs within the unique context of a large public sector organization in Ethiopia.

### 1.2 Background of the study

The roots of flexible working hours can be traced back to the industrial revolution, where the traditional nine-to-five work model began to shift in response to changing production processes and labour demands (Berniell et al., 2023). However, it wasn't until the latter half of the 20th century that the concept gained widespread recognition, with organizations seeking innovative ways to improve employee satisfaction, productivity, and retention.

Flexible work arrangements (FWAs) are employment practices that allow workers flexibility in how they perform their tasks. The most common forms of FWAs include flexible working hours and working from home (Allen, Johnson, Kiburz, & Shockley, 2013). The attention paid to FWAs has been fuelled by research that suggests positive correlations with employee engagement and job performance (Bal & De Lange, 2014; Zeijen, Peeters, & Hakanen, 2018). Flexitime is an arrangement that allows employees to choose when to start or finish work, other than regular time, as long as they complete a certain number of hours (Chukwudi et al., 2022). Flexibility in working life gives employees the option to fulfill their work and non-work demands. The term flexible working includes flexibility regarding hours and location and is broad in scope. Shift work, part-time work, telecommuting, compressed work, sabbatical, flexitime, job sharing, seasonal work, annual working hours, vacation time and much more are related to flexible working (Prasad & Mishra, 2021).

Flexible working hours offer a myriad of benefits for both employers and employees (Wahab, Wahed, & Abd Razak, 2024). From the employer's perspective, flexible working arrangements can lead to increased productivity, reduced absenteeism, and lower overhead costs. For employees, flexible working hours provide greater autonomy over their schedules,

improved work-life balance, and opportunities for personal and professional growth. Moreover, flexible working arrangements have been shown to enhance employee morale, job satisfaction, and overall wellbeing, contributing to a positive organizational culture. Flexible working has become increasingly common in many countries in recent years. Many employers offer some form of flexible working to their employees, and a significant number of employees take advantage of these opportunities (De Menezes & Kelliher, 2017).

For the past 50 years, working life has been in a state of constant change due to its dynamic nature. Since the mid-1970s, part-time work has become increasingly common, now representing a prevalent form of work arrangement. According to Eurostat, around 67% of workers in Europe worked part-time in 2010 (Devicienti et al., 2018). Over the past 25 years, the widespread use of the internet, computers, and smartphones in daily life has significantly transformed the working environment. The Coronavirus (Covid-19) pandemic, which affected the whole world from 2019 to 2022, further changed the landscape of work by leading to the reorganization of workplace environments and redesign of work processes in many organizations. Employees have the freedom to choose where they work, which offers significant location flexibility. This means that job duties can be performed from a variety of work locations appropriate to the nature of the job. For example, at home, at the client's location, on the train, in a café, etc. This type of flexible working arrangement is defined as teleworking (Wessels, 2017). Job sharing is an agreement that allows two or more individuals to work in a full-time job and share responsibilities between themselves (Ifeoma, 2019).

According to Aziz-Ur-Rehman and Siddiqui (2019), flexible working helps people to achieve work-life balance. People are committed to both work and personal life and attach importance to both. This helps them to fulfill their work responsibilities as well as their personal life responsibilities while increasing satisfaction in both their personal and professional life. According to Prasad and Mishra (2021), employee performance is a key factor for an organization to survive in competition. Individual performance plays an important role in a higher level of organizational performance. An individual's high performance in performing their tasks results in feelings of satisfaction, self-efficacy, and mastery. Employee performance refers to the achievement of agreed work outcomes on the employee's work behaviors, which can be achieved through productivity, work quality, or other means Ludidi (2020).

Recent studies continue to support the idea that flexibility and productivity are closely linked in the workplace. For example, a 2023 study by Gallup found that employees working in hybrid or remote roles reported higher engagement levels compared to their full-time onsite counterparts. However, these employees also experienced more stress and anger, highlighting

the need for balanced approaches to flexible work. Additionally, a 2022 article from Forbes emphasized that flexible work arrangements boost employee productivity by allowing employees to work during their most productive hours and reducing time lost to commuting. This flexibility also helps attract top talent and retain valuable staff. These findings suggest that while flexibility can enhance productivity, it is essential for organizations to address potential challenges to employee well-being.

Recent studies have highlighted the importance of flexible working arrangements in various contexts, including Ethiopia. For instance, a study conducted by Abebech Mulugeta in 2022 examined the effect of flexible working arrangements on employee performance in private banks in Bahir Dar, Ethiopia. The study found that flexible working arrangements positively impacted employee performance, suggesting that similar benefits could be observed in other sectors, such as the Commercial Bank of Ethiopia. Additionally, research by Abenet Legesse Bekele and Abdurezak Mohammed in 2020 explored the effects of flexible working arrangements on job satisfaction among employees of the United Nations Economic Commission for Africa (ECA) in Addis Ababa. The study revealed that flexible working arrangements, such as flextime schedules and compressed workweeks, significantly enhanced job satisfaction.

These findings support the argument that there is a need for more research on the relationship between flexible working arrangements and employee performance in the Ethiopian context, particularly in the case of the Commercial Bank of Ethiopia. Although there have been many studies on the effect of flexible working arrangements on employees' work behaviors and performance, this research will conduct because there were not enough studies in the Ethiopian Context that addressed the relationship between flexible working arrangements with employee Performance. Even if there are few research in the topics this research also recommend this topic needs further study in different sectors. This research will aim to evaluate the effect of flexible working arrangements and employee Performance in the case of Commercial Bank of Ethiopia.

## **1.2 Statement of the Problem**

The 20th century's accelerated economic growth spurred unprecedented business opportunities, driven by globalization's transformation of the world into an interconnected marketplace. This shift has intensified competition across industries, including banking, where customer satisfaction and service quality are pivotal to maintaining a competitive edge. In response, organizations have redefined work environments through flexible work arrangements

(FWAs) collaborative agreements between employers and employees that optimize when, where, and how tasks are accomplished to align with organizational goals (Kelly et al., 2014). In Ethiopia, following the current home-grown economic reform the National Bank of Ethiopia takes various measures in the banking sector have encouraged investment, leading to a surge in banks and heightened competition. This competitive landscape often demands extended working hours, typically spanning six days a week. FWAs present a potential solution to enhance work-life balance and productivity, a relationship this study seeks to explore. While FWAs saw limited adoption historically, the COVID-19 pandemic underscored their critical role. Governments worldwide mandated remote work to safeguard public health, highlighting FWAs as essential tools to mitigate workplace uncertainties (Legesse Bekele & Mohammed, 2020). This study emphasizes FWAs' impact on employee performance in Ethiopia's banking sector.

Research by Kelliher and Anderson (2010) demonstrates that FWAs enhance performance and strengthen employer-employee communication and trust. Given their economic significance, FWAs warrant strategic attention to maximize workforce efficiency. This study further examines their potential to positively influence Ethiopia's economic trajectory. The European Foundation (2007) identifies FWAs as a strategic imperative for boosting productivity, innovation, and job satisfaction while reducing absenteeism. Despite their availability in Ethiopia banking sector, performance metrics such as customer satisfaction, employee retention, and job fulfillment remain suboptimal. This gap underscores the need to elucidate FWAs' role in enhancing employee outcomes.

Empirical studies, including Boltz et al. (2019), reveal that employees under FWAs exhibit higher effort and productivity compared to those on rigid schedules. Similarly, Kipkoech (2018) and Mwebi et al. (2015) found significant positive correlations between specific FWAs and performance, though inconsistencies in existing literature necessitate further investigation. Prior research predominantly focuses on developed nations, neglecting contexts like Ethiopia, where unique socioeconomic dynamics shape the banking sector. This study addresses this gap by analyzing the effect of FWAs—including flextime, flexi place, temporary contracts, part-time roles, and shift work—on employee performance metrics such as employee productivity in the case of Commercial Bank of Ethiopia. In summary, this study seeks to answer the following central research question: What is the effect of flexible work arrangements on employee performance at the Commercial Bank of Ethiopia? By addressing this question, the research will fill a critical gap in the literature and provide valuable insights for organizational leaders, and human resource practitioners in Ethiopia and beyond.

### 1.3 Research Questions

- What is the effect of flexible work arrangements on employees at the Commercial Bank of Ethiopia?
- In what ways do flexible work arrangements affect employee performance at the Commercial Bank of Ethiopia?
- What are the perceived advantages and challenges of flexible work arrangements from the perspective of the Commercial Bank of Ethiopia

### 1.4 Research Objective

#### 1.4.1 General Objective

The purpose of this research was to examine the effect flexible working arrangement on employee performance in the case of Commercial Bank of Ethiopia.

#### 1.4.2 Specific Objective

- To assess the effect of telecommuting on employee performance.
- To evaluate the effect of condensed work weeks on employee performance.
- To analyze how flextime influences employee performance.
- To examine the effect of part-time work on employee performance.
- To investigate the effects of shift work on employee performance.

### 1.5 Significance of the study

This study holds critical importance for multiple stakeholders, particularly within the context of Ethiopia's evolving banking sector. By examining the effect of flexible work arrangements (FWAs) on employee performance at the Commercial Bank of Ethiopia (CBE), the research addresses both practical and academic gaps, offering actionable insights with broader societal implications.

As the largest financial institution in Ethiopia, CBE's operational efficiency directly influences the national economy. This study equips the bank's leadership with evidence-based insights to optimize HR policies, potentially enhancing employee productivity, job satisfaction, and retention. If FWAs prove effective, their implementation could position CBE as a pioneer in modern workplace practices within Ethiopia's traditionally structured banking sector, fostering a competitive edge. Conversely, identifying challenges such as infrastructural limitations or cultural resistance could guide targeted interventions.

Most research on FWAs originates from developed economies, leaving a gap in understanding their applicability in developing nations. By focusing on Ethiopia, this study enriches global discourse by highlighting cultural, economic, and infrastructural factors unique to Sub-Saharan Africa. It also provides sector-specific insights into banking, where performance metrics like

customer service efficiency and transaction accuracy are pivotal. Academically, the findings may challenge or validate existing theories, offering a framework for future studies in similar contexts.

The findings could inform policymakers and industry regulators in crafting labor policies that balance flexibility with productivity, particularly in post-pandemic recovery efforts. For Ethiopia's financial sector—a pillar of economic growth—adopting FWAs may address issues like employee burnout and high turnover, thereby stabilizing institutional performance.

Improved work-life balance and employee well-being at CBE could set a precedent for other Ethiopian organizations, promoting societal welfare. Enhanced job satisfaction may also elevate service quality in banking, indirectly benefiting customers and the broader economy.

As remote and hybrid work models gain global traction, this case study offers lessons for organizations in developing economies navigating infrastructure constraints (e.g., internet access) or cultural norms. It underscores the need for context-tailored strategies rather than one-size-fits-all approaches.

In summary, this research transcends organizational boundaries, contributing to academic knowledge, and societal progress, while positioning CBE as a benchmark for adaptive HR practices in Ethiopia.

### **1.6 Scope of the study**

The study was focused on employees of the Commercial Bank of Ethiopia, evaluating their experiences with flexible work arrangements and the resulting effect on their work performance.

### **1.8 Definition of Terms**

- **Flexible Work Arrangements (FWAs):** Work schedules or setups that allow employees to vary their working hours, locations, or patterns.
- **Remote Work:** Working from anywhere outside the traditional office, such as from home, a café, or a co-working space.
- **Flexible Hours (Flextime):** Employees can adjust their work hours within a certain range to suit their personal schedules better.
- **Compressed Workweek:** Employees work longer hours on some days to take an additional day off, like working four 10-hour days instead of five 8-hour days.
- **Job Sharing:** Two or more employees share the responsibilities of one full-time position, each working part-time.

- **Part-Time Work:** Employees work fewer hours than the standard full-time schedule, often with reduced benefits and pay.
- **Shift Work:** Employees work in shifts, allowing businesses to operate beyond traditional working hours.
- **Hybrid Work:** A mix of remote and in-office work, allowing employees to split their time between the office and other locations.
- **Employee performance:** refers to how well (or how poorly) an employee fulfills their duties and reaches their goals. Accurate measurement of performance includes the quality, quantity, and efficiency of a person's work.

### 1.9 Organization of the study

This research paper has been structured to encompass the principal dissertations of the after mentioned five chapters.

**Chapter one - Introduction:** commences with an exposition of the research background, followed by a thorough presentation of the statement of the problem, basic research inquiries, and research objectives. Additionally, the study's significance shall be explained upon. Finally concludes in an exposition of the delimitation of the study alongside the systematic arrangement of the research report.

**Chapter Two –Literature Review:** This section **aimed** to provide a comprehensive overview of the existing literature concerning how flexible work arrangements **affected** employee performance. Drawing on prior literature reviews, both theoretical perspectives and empirical evidence **were discussed**. Ultimately, a conceptual framework **was developed** and a hypothesis **was formulated** based on the insights gained from this review.

**Chapter Three –Research Methodology:** This section **explained** the research design and methodology **employed** in the study, including explication of data sources and data collection techniques. It **also discussed** the sampling method and sample size **utilized** in the study, followed by an interpretation of the measurement of variables incorporated in the research. Finally, there **was** a discussion of the methodology **used** for data analysis, an assessment of the validity and reliability of the variables, and a brief explanation of ethical considerations.

**Chapter Four –Data Analysis and interpretation:** This section **explored** the demographic profile of the participants, followed by an assessment of the internal consistency and reliability of the individual constructs using research software SPSS 20.

**Chapter Five – Result and Discussion:** This section **comprised** a concise summary of the principal findings discovered through the research endeavor, followed by a presentation of

conclusions derived from the major findings. The study's findings **informed** the proposed recommendations, with acknowledgment of the limitations of the research. The foregoing inquiry **put forth** recommendations for future research endeavors. This structure **ensured** a thorough exploration and presentation of the research topic, from introduction to conclusion.

## **Chapter Two**

### **Review of Related Literature**

#### **2. Introduction**

This part of the study basically included theoretical review, empirical review, conceptual frameworks and hypotheses related to the topic of the study. It also included definitions and concepts of flexible working arrangements and employee performance, which were addressed in this study.

#### **2.1. Theoretical Review**

This section aimed to review the pertinent theories related to flexible working arrangements, their outcomes, and mechanisms. Additionally, it provided a theoretical review to develop the conceptual framework and research model. The study was theoretically guided by six primary theories: Spillover Theory, Self-Determination Theory, Vroom's Expectancy Theory, Social Exchange Theory, Work-Life Balance Theory, and Role Theory.

##### **2.1.1 Spill over Theory**

This theory was proposed by Edwards and Rothbard (2000), based on their assumptions of affective positive spillover and instrumental spillover. Spillover refers to the effects of work and family on one another that make the two domains similar. This effect can be explained in terms of a causal sequence that links mood in one domain to performance and rewards in the other. According to these scholars, the spillover process shows strong connections between work and family life, generating similarities between the two.

Ecember et al. (2010) also discussed spillover theory, emphasizing its focus on work and family life. They advocated that job-related factors and family-related factors should be in equilibrium for employees to be productive, achieve customer satisfaction, experience job satisfaction, and control employee turnover.

Staines (1980) defined spillover as a positive association between work and family, where positive work experiences are linked to positive family experiences, and negative work experiences are linked to negative family experiences. For example, a worker experiencing negative emotions from a stressful shift might continue to feel affected at home.

Beutell (2008) supported the theory and added other factors that determine employee performance, such as attitude, stress, and emotions. He emphasized that while work-life balance is vital, these issues should be controlled because social imbalance affects an individual's work efficiency and effectiveness.

According to Staines (1980), Spillover Theory explores how experiences in one domain of life, such as work, can spill over to affect other domains, such as family life. This theory suggests that stress, emotions, and behaviors from the workplace can positively or negatively influence one's personal life and vice versa. Essentially, the boundaries between work and non-work roles are not distinct, and there is a constant flow of experiences and attitudes between these domains.

Edwards, J. R., & Rothbard, N. P. (2000). Spill over theory is particularly relevant when examining the effect of flexible working arrangements, as it highlights how changes in work conditions can affect overall well-being and balance across different aspects of life. However, it focuses only on the factors of work and family balance and does not consider other employee performance factors.

### **2.1.2. Self-Determination Theory**

Self-Determination Theory (SDT) is a psychological framework developed by Deci and Ryan in the 1980s. It emphasizes the importance of human motivation and the conditions that foster autonomous behavior. According to SDT, there are three fundamental needs that drive human motivation:

**Autonomy:** The need to feel in control of one's own behavior and goals. When individuals experience autonomy, they feel that they are the authors of their own actions.

**Competence:** The need to feel effective and capable of achieving desired outcomes. This involves mastering tasks and learning new skills.

**Relatedness:** The need to feel connected to others and to experience a sense of belonging and attachment.

SDT posits that when these needs are satisfied, individuals are more likely to be intrinsically motivated, meaning they engage in activities because they find them inherently enjoyable and satisfying, rather than for external rewards. In the context of flexible working arrangements, SDT suggests that providing employees with the autonomy to manage their work schedules and environments can enhance their motivation, job satisfaction, and overall well-being.

Vander Elst et al. (2012) argued that self-motivation theory can be categorized into two types: autonomous, which pertains to relationship-based motives such as family, and controlled, which involves motives like power. Within Self-Determination Theory (SDT), three psychological needs are deemed essential: autonomy, belongingness, and competence.

They also suggested that to enhance productivity, manage employee turnover, improve job satisfaction, and achieve customer satisfaction, employees should be motivated through means such as flexible working arrangements.

This theory is particularly relevant for understanding how flexible working arrangements can lead to positive outcomes by fulfilling employees' intrinsic psychological needs.

### **2.1.3. Vrooms Expectancy Theory**

Vroom's Expectancy Theory, developed by Victor Vroom in 1964, is a motivation theory that explains the process individuals go through when making decisions about behavioral alternatives. The theory is based on three key components:

**Expectancy:** The belief that one's effort will lead to desired performance levels. This component is influenced by factors such as self-confidence, experience, and the perceived difficulty of the task.

**Instrumentality:** The belief that a certain level of performance will lead to specific outcomes or rewards. This component is influenced by the clarity of the reward structure, trust in the organization, and perceived control over the outcome.

**Valence:** The value an individual places on the rewards or outcomes. This component is influenced by individual goals, needs, and values.

According to Vroom, motivation is a function of these three components:  $Motivation = Expectancy \times Instrumentality \times Valence$ . In other words, for an individual to be motivated, they must believe that their effort will result in successful performance (Expectancy), that successful performance will lead to desirable rewards (Instrumentality), and that these rewards are valuable to them (Valence).

In the context of flexible working arrangements, Vroom's Expectancy Theory suggests that employees will be more motivated if they believe that their efforts in managing work-life balance will lead to better performance and that this improved performance will be rewarded in ways that they find meaningful. For instance, flexible working arrangements can enhance employees' perception of control over their work environment (Expectancy), reinforce the link between their performance and positive outcomes (Instrumentality), and provide rewards that align with their personal values and needs (Valence).

According to Nyberg (2010), Expectancy Theory considers three key components: the attractiveness of the outcome to the employee (valence), the likelihood that the employee's effort will result in desirable performance (expectancy), and the probability that this performance will be rewarded with the desired outcome (instrumentality).

Vroom's Expectancy Theory is relevant to this study as it highlights independent variables such as part-time working, work shifts, temporary contracts, flexible workplace arrangements, and flexible working hours. Employers expect these factors to lead to increased productivity, innovation, reduced employee turnover, and job satisfaction. This theory forms the foundation of the study by addressing how these variables influence employee performance. The three theories discussed provide a solid anchor for present research by considering the effects of flexible working on employee performance.

#### **2.1.4. Social Exchange Theory**

Social Exchange Theory (SET) is a sociological and psychological perspective that explains social behavior in terms of exchanges between individuals. It posits that human relationships are formed by the use of a subjective cost-benefit analysis and the comparison of alternatives. The theory was developed by sociologists George Homans and Peter Blau and is grounded in the following key concepts:

**Reciprocity:** The principle that individuals tend to return benefits received from others. In the context of workplace relationships, this can mean that employees reciprocate fair treatment and rewards from employers with loyalty and higher performance.

**Costs and Rewards:** Relationships are maintained when the rewards outweigh the costs. In a professional setting, rewards can include salary, job satisfaction, and career advancement, while costs might involve stress, time, and effort.

**Comparison Level:** This involves comparing the current relationship or situation to one's expectations and past experiences. Employees evaluate their job satisfaction based on how their current job measures up to their standards and experiences.

**Comparison Level for Alternatives:** This is the consideration of alternative options. If employees believe that they can find a better situation elsewhere, they may be more likely to leave their current job.

In the context of flexible working arrangements, Social Exchange Theory suggests that if employers offer flexibility and support, employees are more likely to feel valued and reciprocate with increased loyalty, job satisfaction, and performance. This mutually beneficial exchange can lead to a more positive and productive work environment. This theory is important to the study because it addresses the issue of individual behaviors and other social behaviors which affect working situations indicated by flexible working patterns.

### 2.1.5 Work-Life Balance Theory

According to scholars like Clark (2000): Discussed the importance of achieving a balance between work and family roles to minimize role conflict and stress. Becker (1995): Emphasized the significance of work-life balance in employee retention and organizational success. Frankenhaeuser et al. (1989): Explored the increased burden of work-life balance on women in employment. Byrne (2005): Described work-life balance as juggling multiple aspects of life, including work, family, friends, health, and self. And they contributed the following main issues for work life balance theory.

Work-Life Balance Theory explores the equilibrium between an individual's professional responsibilities and personal life. This theory emphasizes the importance of achieving a balance that allows employees to meet their work obligations while also fulfilling personal and family needs. Key aspects of this theory include:

**Work-Family Conflict:** This occurs when the demands of work and family roles are incompatible, leading to conflict and stress. It highlights the negative impact that an imbalance can have on both work and personal life.

**Work-Family Enrichment:** This concept focuses on how positive experiences in one domain (work or family) can enhance the quality of life in the other domain. For example, skills and positive emotions gained at work can improve family relationships.

**Boundary Management:** This aspect examines how individuals manage the boundaries between work and personal life. It includes strategies for keeping work and personal life separate or integrating them, depending on personal preferences and job demands.

**Flexible Working Arrangements:** These include practices such as flexible working hours, remote work, and part-time work. The theory suggests that these arrangements can help employees achieve a better work-life balance by providing more control over their schedules.

**Employee Well-Being:** The theory underscores the importance of work-life balance for overall employee well-being, including mental and physical health, job satisfaction, and productivity. In the context of flexible working arrangements, Work-Life Balance Theory is particularly relevant as it highlights how such arrangements can help employees manage their work and personal life more effectively, leading to improved well-being and performance.

### 2.1.6 Role Theory

Role Theory examines how individuals fulfill the various roles they occupy in their personal and professional lives, and how these roles influence their behavior, performance, and well-being. The theory highlights several key concepts:

**Role Expectations:** These are the behaviors and responsibilities expected from individuals in specific roles. For example, an employee might have role expectations from their manager, coworkers, and the organization.

**Role Conflict:** This occurs when there are incompatible demands from different roles that an individual occupies. For instance, an employee might experience role conflict if their work responsibilities clash with their family obligations.

**Role Ambiguity:** This refers to uncertainty about the expectations associated with a particular role. When employees are unclear about their job duties or the standards for performance, they may experience stress and decreased job satisfaction.

**Role Overload:** This happens when the demands of multiple roles become too overwhelming for an individual to manage effectively. This can lead to burnout, reduced performance, and negative impacts on well-being.

**Role Balance:** Achieving a balance between different roles can contribute to overall well-being and job satisfaction. Flexible working arrangements can play a significant role in helping employees manage and balance their roles more effectively.

Role Theory provides a valuable framework for understanding how the various roles an individual occupies interact and affect their performance and well-being. In the context of flexible working arrangements, it highlights the importance of managing role expectations and conflicts to enhance employee satisfaction and productivity.

## **2.3 Conceptual Review**

### **2.3.1 Hybrid Work**

While definitions can vary, hybrid work can be defined as a working arrangement where some staff will work on-site, some will work off-site via telecommuting or remote working, and others will have the freedom to work on-site on some days and off-site on others, based on circumstances, objectives, and personal preferences.

Hybrid work is one of the most flexible work arrangements, completely removing the concept of location by placing the importance on how employees work instead of where they work. Organizations that embrace the hybrid work concept will generally provide a variety of work arrangements for different employees within the same company, with a goal of creating a happier, harder-working workforce through greater autonomy and better well-being.

### **2.3.2 Telecommuting**

Telecommuting is the practice of working from outside of the employer's office or physical workplace. Often it will mean working from home, but it could equally mean working from a public library, co-working space, coffee shop, or anywhere else with public wi-fi, depending on the devices available and the individual company policy.

For employers, the main challenge is providing access to the technology needed to carry out work and connect with colleagues while maintaining security and productivity. However, telecommuting can be an extremely effective arrangement and potential benefits include reduced absenteeism and improved morale.

One important thing to note is that, according to many definitions, while someone telecommuting will not be working from the physical workplace, they may still need to attend the workplace on occasions, such as for meetings or catch-up sessions. For this reason, telecommuting typically describes off-site work for people who live nearby.

### **2.3.3 Remote Work**

The terms remote work and telecommuting are often used interchangeably, and there are no strict definitions separating the two concepts. However, remote work can differ from telecommuting in terms of whether physical attendance is ever required and whether employees need to live in close proximity to the workplace.

As a blog post from Glassdoor explains, a remote worker will be able to do their job from anywhere in the world, as long as they have the necessary equipment and technology, such as a computer and access to the internet. Often, companies employing remote workers will have staff located in different countries.

Remote workers are not usually required to attend team-building sessions or office-based meetings, although they may participate through video conferencing. However, not all companies are aware of the distinction between remote work and telecommuting, so jobs are sometimes advertised as being remote, even if they do not meet the criteria.

### **2.3.4 Condensed Workweeks**

A condensed workweek, also known as a compressed workweek, is an arrangement where the standard full-time working hours are still worked, but they are condensed down into fewer days than normal. Most often, this will result in a four-day working week rather than a five-day working week, although the exact arrangement may vary.

One common reason why employees might prefer this arrangement is because it allows for an extended three-day weekend rather than simply having two days off. Nevertheless, some

employees might instead opt to have a day off in the middle of the week, allowing them to break the working week up or fit in other tasks.

An article for The Balance Careers highlights the fact that condensed workweeks can allow for a better work/life balance. The arrangement can also allow employers to retain staff who might otherwise look elsewhere for the flexibility they need. At the same time, it does also mean each individual day will be longer, which may not suit everyone.

### **2.3.5 Flextime**

As a basic definition, flextime – also known as flextime – refers to flexible working arrangements where employees are given the freedom to select when their working day begins and ends, as long as they work their contracted number of hours. Most commonly, this means simply adjusting precisely when their daily working hours take place.

So, for example, rather than working from 9 am to 5 pm each day, an employee may opt to work from 11 am to 7 pm on one day, and from 8 am to 4 pm on another. In some arrangements, workers may also extend their hours on one day to reduce their hours on another, as long as their weekly or monthly contracted hours are met.

Flextime can be especially useful for employees who might need to fit work around other commitments, such as dropping kids off at school or studying a college course. In some cases, the ability to adjust start and finish times can also assist with their commute, making it easier to access public transport, or avoid rush hour traffic.

### **2.3.6 Part-Time Work**

Part-time work describes any form of employment that provides fewer weekly hours than a full-time job. Although the definition of what constitutes full-time work varies from location to location, a common cut-off point is 30 hours per week. In the United States, part-time work is defined as anything ranging from one hour to 34 hours per week.

For employers, part-time positions can be useful, allowing them to employ people to carry out work that will not take up sufficient time to justify a full-time position. For employees, part-time work can often be desirable, allowing them to earn money alongside other responsibilities, such as studying or raising children.

In certain industries, there may be ‘off-season’ periods during the year, but employers may still need some staff to continue to keep the business operational, and this may be another good example of when part-time employment can be beneficial. Part-time workers are usually not entitled to the same employee benefits as full-time staff.

### **2.3.7 Shift Work**

Shift work describes an arrangement where the working day is divided into different shifts, which are then allocated to employees, meaning different groups of workers will be carrying out their duties at different times of the day. It is an especially common approach for employers who operate 24 hours a day, seven days a week.

As a result, employees may be asked to work hours which differ from the conventional 9 to 5 working hours, and they may also have to work different hours from one day to the next or from one week to the next. For some employees, there may also be the option of working night shifts rather than day shifts.

For employers, shift work offers advantages in ensuring work can be carried out at all times of the day. However, shift work has also been linked with a variety of negative side effects related to employee well-being, which means it needs to be carefully managed in order to avoid putting undue stress on the workforce.

### **2.3.10 Annualized Hours:**

Employees work a set number of hours over the year but have the flexibility to distribute those hours across weeks or months as needed. This arrangement allows for greater adaptability to personal and professional demands throughout the year. It can help accommodate seasonal work patterns or fluctuating workloads, providing employees with more balanced work-life experience.

## **2.4 Empirical Theory**

In the context of this study on the effect of flexible working arrangements on employee performance, the researcher identified six variables to measure flexible working arrangements. These include *Telecommuting, Condensed Workweeks, Flexitime, Part-Time Work, Shift Work, and Phased Retirement*. Subsequently, various related studies have been discussed concerning this research topic. Empirically, several studies have been conducted on the effect of flexible working arrangements on employee performance. Let us examine them one by one.

According to Donabel A.(2023), In his study *Effects of Flexible Work Arrangements on Employee Performance of ABC BPO Company* such as telecommuting, compressed work weeks, and flexitime on employee performance. Furthermore, it determined if there are significant differences in employee performance in various work arrangements or when they are grouped according to function. The researcher used descriptive causal research design and quantitative analysis, the researcher gathered data through a survey of 110 BPO employees in ABC BPO Company online. And analyzed using multiple regression analysis to determine

which among the factors contributes more to employee performance. The researcher found that Telecommuting has no significant effect on employee performance. However, compressed work week and flexi-time have significant effects on employee performance.

Dr.Khaled Mohammed (2022), in his study in Saudi Education Sector he examines the effect of three flexible work arrangements (part-time, flexible hours, and remote work) on employee performance. Under the Saudi vision and the changes necessitating adaptability, give solutions that enhance the performance of Saudi education sector employees. The researcher collected a questionnaire a total of 107 respondents filled out a questionnaire to collect quantitative data for the quantitative research approach. While the examination of the results revealed that not all of the study's assumptions support the employee's performance, this does not invalidate the employee's performance. The findings indicate that flexitime positively influences employee performance. In neither contrast, neither part-time nor telework contributed to the employee's performance.

Mwebi et al. (2015), assessed the Effects of Flexitime Work Arrangement on Employee Performance in Nairobi commercial banks. The target population was all the 1074 in Nairobi commercial banks. This research adopted a descriptive design. The researcher takes one independent variable that is flexi time working arrangement and one dependent variable that is employee performance but the researcher include several direct variables like effectiveness in work, efficiency in work, employee teamwork and employee creativity. The researcher was used descriptive design. The researcher found that there is a need for banks to improve the use of flexitime work arrangement among their WLB policies as the enhancement of this schedule has been found to positively affect employee performance in commercial banks based within Nairobi central business district.

According to Sweta (2024) examined the effect of flexible work environment on employee job satisfaction in Nepalese commercial banks. Employee satisfaction is the dependent variable. The selected independent variables are flexible work environment, telecommuting, work shifting, organizational culture, employee training and job sharing. The primary source of data is used to assess the opinions of the respondents regarding different factors affecting employee job satisfaction in Nepalese commercial banks. The study is based on primary data with 121 respondents. To achieve the purpose of the study, a structured questionnaire is prepared. The researcher finding showed that a flexible work environment has a positive impact on employee job satisfaction. It implies that providing a flexible work environment leads to employee job satisfaction. Likewise, telecommuting has a positive impact on employee satisfaction. This means that telecommuting facility leads to employee satisfaction. Similarly, work shifting has

a positive impact on employee job satisfaction. It indicates that the shifting work provided by Nepalese commercial banks leads to an increase in employee satisfaction. Moreover, organizational culture has a positive impact on employee job satisfaction. It implies that proper and supportive organizational culture leads to an increase in employee job satisfaction. Likewise, employee training has a positive impact on employee job satisfaction, indicating that training and developments provided by the banks to their employees lead to an increase in employee job satisfaction. However, job sharing has a negative impact on employee satisfaction. It indicates that practices of job sharing in the organization lead to decrease employee job satisfaction.

According to Austin et al (2020) examined Flexible Working Arrangements and Organizational Performance, Flexible working arrangements (FWA) are both important and significant to workplaces in this twenty first century. Organizations are burdened with how to balance their employees' work-life balance to enable them to reduce all the attendant problems associated with them while ensuring efficient and effective performance. Hence, a lot of organizations offer flexible working arrangements to employees due to the benefits associated with flexibility both for the employees and employers. Greatly improved employee cum organizational performance is one of the most common benefits. It equally facilitates balanced work-life resulting in reduced stress and increased wellbeing for the employees and reduced absenteeism and employee turnover for the organization. The researcher highlighted the various forms and general principles of flexible working arrangements and their effect on employee performance. Library research involving analytical discussion of secondary data is adopted and used by the researcher as a methodology. From the research he recommends that more research be conducted on the effects of employee-driven and employer-driven flexible work arrangements on organizational performance to substantiate the claim that effects of FWAs vary depending on the primary beneficiary.

The Effects of flexible work arrangement on employee performance the case of private banks in Baher Dar by Abebech Mulugeta (2022). The researcher identifies five key flexible working arrangement dimensions as independent variable these are work shift, flexitime, flexi place (telework), temporary contract working, and part time working.

The researcher used both quantitative and qualitative approach. A quantitative approach was used to show the cause-and-effect relationship between the dependent and independent variables and qualitative research approach was used to analyze open ended questions. The researcher used primary data through questionnaires from 250 respondents from three sampled private banks. According to the researcher, work shift, flexitime, flexi place, temporary contract

and part time has a statistically significant effect on employee performance. Work shift is the most powerful significant variable that has greater regression coefficient than others. The researcher concluded that flexible working arrangement practice significantly contributes to employee performance on private banks in Bahir Dar.

## 2.5 Research Gap and Summery

**Table 2.1 Research Gap and Summery**

Scholars and year of done	Study title	Objectives of the study	Findings of the study
Donabel A. (2023),	Effects of Flexible Work Arrangements on Employee Performance of ABC BPO Company	Objectives To determine the effect of flexible work arrangements on employee performance.	Telecommuting has no significant effect on employee performance. However, compressed work week and flexitime have significant effects on employee performance.
Dr.Khaled Mohammed (2022)	The Impact of Flexible Work Arrangements (FWA) on Employees Performance in the Saudi Education sector	Give solutions that enhance the performance of Saudi education sector employees.	The findings indicate that flexitime positively influences employee performance. In contrast, neither part-time nor telework contributed to the employee's performance.
Mwebi et al. (2015),	Effects of Flexitime Work Arrangement on Employee Performance in Nairobi CBD Commercial Banks	The objective of the study was therefore to find out the effects of flexitime work arrangement on employee performance in Nairobi Central Business District commercial banks.	The findings revealed that Flexitime work arrangement is positively related to employee performance
Sweta (2024),	Effect of flexible work environment on employee job satisfaction of Nepalese commercial banks	The main purpose of the study to examine the effect of flexible work	The study showed that flexible work environment

		environment on employee job satisfaction in Nepalese commercial banks.	has a positive impact on employee job satisfaction. However, job sharing has a negative impact on employee satisfaction.
Austin et al (2020)	Flexible Working Arrangements and Organizational Performance	The general objective of the paper is to examine if flexible working arrangements affect performance in organizations.	Greatly improved employee cum organizational performance is one of the most common benefits. It equally facilitates balanced work-life resulting in reduced stress and increased wellbeing for the employees and reduced absenteeism and employee turnover for the organization.
Mulugeta (2022)	The Effect of Flexible Working Arrangement on Employee Performance: The Case of Private Banks in Bahr Dar	The main objective of this study is to examine flexible working arrangements on employee performance in Private Banks in Bahir Dar.	The main findings indicate that work shift, flexitime, flexi place, temporary contract and part time has statistically significant effect on employee performance. Work shift is the most powerful significant variable that has greater regression coefficient than others.

Overall, empirical research supports the notion that flexible work arrangements can enhance employee performance, but the outcomes can vary based on individual differences, job characteristics, and organizational context.

The link between the independent variables (telecommuting, condensed workweeks, flexitime work, flex place work , part-time work, and shift work,) and the dependent variable (employee

performance) can be understood through the lens of flexible work arrangements (FWAs) and their impact on employee productivity, motivation, and overall job satisfaction. Below is a detailed discussion of how each independent variable influences employee performance:

### **2.6.1 Telecommuting**

Telecommuting allows employees to work remotely, often from home, which can reduce commuting stress and provide a more comfortable work environment. This flexibility can lead to increased productivity and higher job satisfaction, as employees can better manage their personal and professional responsibilities. However, the lack of face-to-face interaction may reduce collaboration and team cohesion, potentially impacting performance negatively if not managed properly.

### **2.6.2 Condensed Workweeks**

Condensed workweeks involve working longer hours over fewer days (e.g., four 10-hour days instead of five 8-hour days). This arrangement can improve employee performance by providing longer periods of uninterrupted work and additional days off, which can enhance work-life balance and reduce burnout. However, the longer workdays may lead to fatigue, which could negatively affect performance if employees are not adequately rested.

### **2.6.3 Flextime**

Flextime allows employees to choose their start and end times within a set range of hours. This flexibility can improve performance by enabling employees to work during their most productive hours and better align their work schedules with personal commitments. This can lead to higher motivation and reduced absenteeism, as employees feel more in control of their time.

### **2.6.4 Part-Time Work**

Part-time work involves working fewer hours than a standard full-time schedule. This arrangement can improve performance for employees who require a reduced workload due to personal circumstances (e.g., students, caregivers). It can lead to higher job satisfaction and lower stress levels, as employees can balance work with other responsibilities. However, part-time employees may feel less connected to the organization, which could impact their engagement and performance over time.

### **2.6.5 Shift Work**

Shift work involves working outside traditional daytime hours, such as night shifts or rotating shifts. While this arrangement can provide flexibility for employees with non-traditional schedules, it can also lead to fatigue, sleep disturbances, and reduced work-life balance, which

may negatively affect performance. On the other hand, shift work can improve performance in industries that require 24/7 operations by ensuring continuous productivity.

## **2.7 Employee Performance**

The workforce is the most valuable resource in an organization's structure for achieving performance and goals. Generally, performance refers to the organization's ability to adapt its internal capabilities and resources to attain its mission and vision. Tumunomiebi and Oyibon (2020) define employee performance as the degree of accomplishment that personnel achieve in carrying out their job responsibilities. A critical factor in determining an individual's performance is the extent to which their professional and personal life is compatible. This indicates that organizations require strategies that foster performance in a dynamic work environment to achieve success. Employee performance is a tool for determining an organization's internal capability and resources to accomplish its vision and mission. Additionally, it can be either fiscal or non-financial based on the metrics utilized for evaluation. Therefore, customer satisfaction, predetermined objectives, customer loyalty, cost reduction, and punctual delivery are measures to assess employee performance (Mutia, 2022).

Endri et al. (2021) note that if companies want to get better work from their employees, they need to use high-performance planning and human resources methods that motivate and inspire workers to do their best. Research has demonstrated that the performance of employees is critical in determining the level of organizational development. Similarly, the ability of employers to ascertain whether or not employees are satisfied with their daily tasks and schedules has a substantial effect on their output and performance.

### **2.7.1 Work Output**

Melayansari and Bhinekawati (2020) define competence as the degree to which inputs have been successfully converted into outputs or as the positive correlation between inputs and outputs. Exceptional performance efficiency within an organization is the foundation for other factors such as quality and profitability. When organizations achieve greater yield with reduced inputs, it demonstrates that employees are operating more efficiently. Upholding a harmonious work-life balance positively impacts the physical well-being and familial relationships of personnel, enhancing their overall work productivity.

According to Ogechi et al. (2020), performance is correlated with factors such as output value, output suitability, task presence, efficiency, and effectiveness of completed work. However, employee performance remains the focal point of every organization, which should implement strategies to boost performance and maintain competitiveness. Organizational focus should be

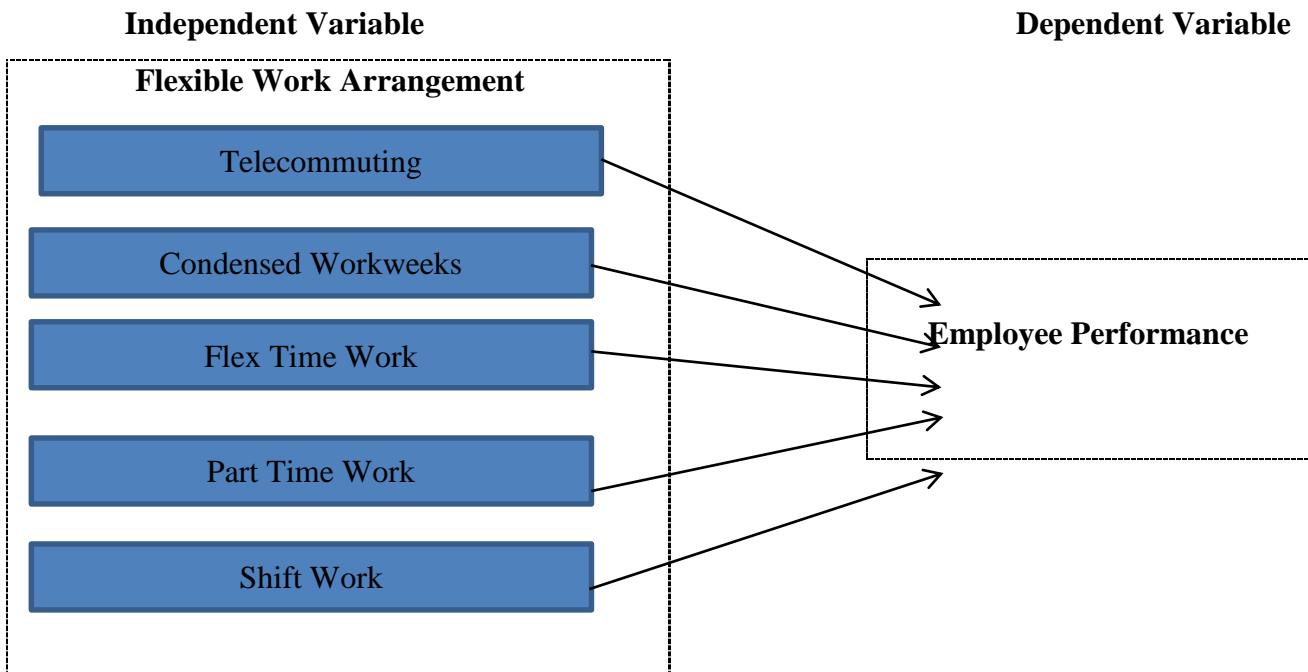
directed towards employees' work-life balance strategies so that both performance and organizational objectives can be achieved.

### **2.7.2 Attendance**

Makori et al. (2019) assert that an inadequate balance between work and personal life leads to increased absenteeism, distress, and substandard work quality. Work-related obligations or standards concerning the minimum number of hours employees must dedicate to work or work-related tasks are also recognized to affect the implementation of flexible work arrangement strategies within organizations (Thompson et al., 1999). Strong organizational norms regarding "face time" and "workaholic hours" result from the frequent conflation of working long hours with working diligently (Blair-Loy & Wharton, 2002).

### **2.8. Conceptual Framework of the study**

A conceptual framework is instrumental in clarifying the proposed relationships between variables in a study, as well as visually representing these connections through graphs or diagrams (Mugenda, 2003). It encapsulates the researcher's perspective on the issue, providing direction for the study and highlighting the relationships among the constructs to be examined. As depicted in Figure 2.1, the conceptual framework summarizes the relationships between variables that will guide the study. In this case, flexible working (the independent variable) is designed to influence employee performance (the dependent variable).



Source: Donabel A. Briones / International Journal of Research Publications ([www.iprg.org](http://www.iprg.org))

Figure 2.1 Conceptual Framework

## 2.9 Hypothesis

Based on the assumed causal relationship given in the conceptual model the following hypotheses were developed for testing.

- **H1: Telecommuting** has positive and significant effect of an employee performance in Commercial Bank of Ethiopia
- **H2: Condensed Workweeks** has positive and significant effect of an employee performance in Commercial Bank of Ethiopia
- **H3: Flextime** has positive and significant effect of an employee performance in Commercial Bank of Ethiopia
- **H4: Part Time Work** has positive and significant effect of an employee performance in Commercial Bank of Ethiopia
- **H5: Shift Work** has positive and significant effect of an employee performance in Commercial Bank of Ethiopia.

## **Chapter Three Research Methodology**

### **3. Introduction**

This chapter presents details of the research design, approach, and source of data, method and tools of data collection, sampling technique, sample size and method of data analysis.

#### **3.1 Research Design**

Research design outlined the procedures and methods used to obtain the desired information. Adams, Khan, Raeside, and White (2007) argued that the research design served as a blueprint or master plan for research, fulfilling the purpose and testing the hypothesis. It guided data collection and analysis methods. This study employed a causal explanatory research design, chosen for its ability to describe the features of specific individuals or groups. In this design, variables were controlled, and the researcher reported events or data as they were collected (Kothari, 2008).

#### **3.2 Research Approach**

A research approach refers to a structured framework that outlines the overarching strategy and procedural steps guiding a study, spanning from philosophical assumptions to specific techniques for data collection, analysis, and interpretation. As Creswell (2018) outlines, three primary research approaches dominate business and social science research: quantitative, qualitative, and mixed methods. This study adopts a mixed-methods approach, integrating both quantitative and qualitative methodologies to leverage their complementary strengths.

The quantitative approach was employed to test objective theories through statistical analysis, focusing on measurable variables and their relationships. This involved structured data collection via questionnaires, enabling hypothesis testing and generalizable conclusions, consistent with the principles of quantitative research articulated by Bryman and Bell (2015). Conversely, the qualitative approach utilized thematic analysis of open-ended questionnaire responses to explore important perspectives, contextual meanings, and underlying patterns. This aimed to deepen understanding of the variables' interconnections by capturing participants' lived experiences and subjective insights, aligning with the interpretive nature of qualitative inquiry as described by Denzin and Lincoln (2011).

### 3.3 Sampling Design

Sampling design is a critical part of any research study that involves collecting data from a subset (sample) of a larger population. The goal of a sampling design is to ensure that the sample is representative of the population so that the results of the study can be generalized.

#### 3.3.1 Target Population

In research, the entire group of individuals, objects, or events that a researcher wishes to study is called the population. Sekeran (2001) defines a population as the entire group of people, events, or things of interest that the researcher wishes to investigate.

Even if Commercial Bank of Ethiopia is operating though the country, for this specific study, the target population was consisted of 2,550 professional staff working at the Commercial Bank of Ethiopia (CBE) Megeneagna District and Head office call center. These staff members include Professionals, Middle and Senior Level Management.

Due to the practical limitations of studying the entire population, a sample were selected. Cluster sampling were employed to ensure adequate representation from different branches, district office staff and head office call center of the bank.

#### 3.3.2 Sample Size and Determination

The target population of the study is employees of Commercial Bank of Ethiopia (CBE) which currently has ten districts within Addis Ababa City and head office call center. Out of these 10 district offices branches under Megenagna districts office and head office call center were be chosen for this study which consisted of city branches. The sample size of this study is determined by using the formula developed by Taro Yamane (1967).

$$n = \frac{N}{1 + N(e)^2}$$

Where:

- n is the sample size,
- N is the population size (2550 in this case),
- e is the margin of error (commonly 0.05 for a 95% confidence level).

$$n = \frac{2550}{1 + 2550(0.05)^2}$$
$$n = \underline{2,550}$$

$$1+2550(0.0025)$$

$$n= \underline{2550}$$

$$1+6.375$$

$$n= 2550$$

$$7.375$$

$$n\approx 345.72$$

So, the sample size required is approximately **346**

### **3.3.3 Sampling Technique**

The selected items constitute what is technically known as a sample. According to Sekaran (2001), a sample is a portion of the population that reflects the attributes of the entire population. For this study, it was assumed that all branches of CBE operate similarly concerning policies and practices, despite being in different geographical areas across the country. Therefore, the researcher used multi-stage sampling, which, according to Creswell (2018), is a further development of cluster sampling.

When dealing with a population spread over a wide geographic area, it may be challenging to take a simple random sample of the study units due to logistical difficulties. However, when a list of clusters (such as districts, villages, or schools) is available or can be easily compiled, several of these groupings can be randomly selected Creswell, (2018). Depending on the sampling needs, single-stage techniques can be combined to conduct multi-stage sampling Creswell, (2018).

Currently CBE has regional based arrangements to manage its day-to-day branch business operation. Based on this it has three regional offices such as central region mainly covers Addis Ababa Area, Northeast Region mainly focuses on northeast part of the country and finally southwest region mainly covers southwest area of the country. Under these three regions there are 33 districts and under each district there are 50-65 branches. For this study, the researcher were used a cluster of central regions. Within this region there are 10 districts, and the researcher selected Megenagna District and Head office call center, a simple random sample of branches proportional to the cluster size was selected. Within each branch, a simple random sample of employees proportional to the branch size was taken.

**Table 3.1 Sample Selection**

S.N	District	No. of Branches	No. of Employees	Sample Size
1	Megenagna Deristrict	53	2,300	311
2	Head office call center	1	250	35
	Total	54	2,550	346

### **3.4 Source and Methods of Data Collection**

Data were collected through paper based questionnaires and face-to-face interviews, supplemented by organizational records.

Kothari (2004) explains that primary data collection occurs during experiments in experimental research. However, in descriptive research, where surveys (sample or census) are conducted, primary data can be gathered through observation, direct communication with respondents, or personal interviews. The researcher were used primary source by developing a questioner to all sample size, and conduct interview with 1 District Managers, 1 Call Centers Directors, 10 for branch managers.

### **3.5 Measurement Scale**

Rensis (1932), Developed Likert scale measures attitudes by having respondents express the degree to which they agree or disagree with a statement. Each scale typically consists of five or seven options for participants to choose from and fundamentally seeks to evaluate whether employees' feelings are favorable, neutral, or unfavorable about each statement.

The questions was formed in a five-point Likert scales ranging from “strongly disagree” to “strongly agree”, including the answers “neutral” and agree. Likert scales were be used to measure variables related to employee performance and perceptions of FWAs.

## Operationalization and Measurements of Variables

**Table 3.2 Operationalization and Measurements of Variables**

Variable	Types of Variable	Indicators	Quantification of variables	Measurement
Flexible Work Arrangement	Independent Variable	Telecommuting	To determine the effect of teleworking on employee performance at the Commercial Bank of Ethiopia	Rating scale from 1-5 Nominal scale
		Condensed workweeks	To assess the effect of condensed workweeks on employee performance	Rating scale from 1-5 Nominal scale
		Flexitime	To measure the influence of flexitime on employee performance	Rating scale from 1-5 Nominal scale
		Part-time work	To evaluate the effect of part-time work on employee performance	Rating scale from 1-5 Nominal scale
		Shift work	To analyze the effect of shift work on employee performance	Rating scale from 1-5 Nominal scale
Employee Performance	Dependent Variable	Employee Productivity	To assess changes in productivity based on flexible work arrangements	Rating scale from 1-5 Nominal scale
		Employee Satisfaction	To measure employee satisfaction related to flexible work arrangements	Rating scale from 1-5 Nominal scale
		Employee Competency	To evaluate employee competencies impacted by flexible work arrangements	Rating scale from 1-5 Nominal scale

### 3.6 Method of Analysis

Descriptive and inferential statistics were used for quantitative data analysis, while thematic analysis was applied to qualitative data. The data analysis was performed using the Statistical Package for Social Scientists (SPSS), and manual coding and categorizing were also used. The analysis focused on two aspects: descriptive data analysis and inferential data analysis. According to Amin (2005), descriptive statistics provided techniques for numerically and graphically presenting information, offering an overall view of the collected data.

After aggregating the data to convert categorical data into numerical representations, the researcher employed Pearson's correlation coefficient for analysis. Descriptive statistics,

including frequency tables, graphics, and correlation tables, were developed to describe the gathered data. Inferential statistics such as Correlation Analysis were used to present the data descriptively for each objective, utilizing percentages to make inferences. Additionally, multiple regression analysis was conducted to examine the predictive relationships between the independent and dependent variables, allowing for a more robust understanding of the factors influencing the outcomes. The researcher applied techniques such as histogram curves to numerical data, making predictions about the population based on a sample. This approach allowed the researcher to draw generalizations from authentic data, supplemented by qualitative data from interviews and personal observations.

### 3.7 Validity and Reliability

#### 3.7.1 Validity of the Instrument

Kothari (2004) and Cooper and Schindler (2014) listed three widely used classifications of validity: content validity, criterion-related validity, and construct validity. Content validity ensured that the questionnaire or measurement tool covered all aspects of the concept being studied in the research. The researcher included items in the questionnaire that assessed various dimensions of performance, such as productivity, job satisfaction, and absenteeism. Construct validity assessed whether the measurement tool accurately measured the theoretical construct it was intended to measure. The researcher involved verifying that measures of flexible work arrangements and employee performance were valid representations of these constructs.

#### 3.7.2 Reliability Test

The researchers were used statistical tool such as the Cronbach Alpha to measure internal consistency among the measurement items. According to George & Mallery (2003), the instrument should be accepted if the value of alpha is greater than 0.7. Additionally, the internal consistency of the items in the scale derived from them is greater the closer Cronbach's alpha coefficient is near 1.0.

**Table 3.3 Cronbach Alpha**

Flexible working arrangement dimensions	Number of Items	Cronbach's Alpha
Telecommuting	5	.789
Condensed Workweeks	5	.775
Flextime	5	.808
Part Time Work	5	.803
Shift Work	5	.805
Employee Performance	9	.723

*Source: Own Survey 2025*

These results indicate satisfactory and acceptable internal consistency reliability for all six variables, as their alpha values are exceeding the conventional threshold of 0.70.

### **3.8 Research Ethics**

Ethical considerations included obtaining informed consent, ensuring confidentiality, and securing necessary approvals from relevant bodies. When conducting research on the effect of flexible work arrangements on employee performance, it was crucial to adhere to ethical standards to ensure the integrity and credibility of the study. The researcher had key ethical considerations for the following major issues:

**Informed Consent:** The researcher ensured that all participants were fully informed about the purpose of the study, the procedures involved, and any potential risks or benefits. Voluntary consent was obtained before including them in the research.

**Confidentiality:** The privacy of participants was protected by keeping their data confidential. The researcher used anonymization techniques to ensure that individual responses could not be traced back to specific individuals.

**Avoiding Harm:** Measures were taken to minimize any potential harm to participants, including both physical and psychological harm. The researcher ensured that the research design and data collection methods did not cause undue stress or discomfort.

**Transparency:** The research process was transparent, including the methods used, the data collected, and the analysis techniques. This helped build trust with participants and stakeholders.

**Data Integrity:** The accuracy and reliability of the data collected were ensured. The researcher avoided any manipulation or fabrication of data, and findings were reported honestly and accurately.

**Cultural Sensitivity:** The researcher was aware of and respected cultural differences among participants. It was ensured that the research design and data collection methods were culturally appropriate and sensitive.

By following these ethical principles, the researcher conducted the research in a responsible and respectful manner, ensuring the well-being of participants and the credibility of the research findings.

## **Chapter Four**

### **Data Presentation, Analysis and Discussion**

#### **4. Introduction**

This chapter details the methodology, presentation, and interpretation of the findings from a study investigating the effect of flexible working arrangements on employee performance within the Commercial Bank of Ethiopia. The research aimed to empirically assess this relationship, drawing data directly from employees at the Megegnagna District and Contact Center branches. The primary data collection instrument was a structured questionnaire utilizing a five-point Likert scale, ranging from 1 (Strongly Disagree) to 5 (Strongly Agree), designed to capture perceptions and experiences related to flexible work and performance. This chapter outlines the data collection process, analyzes the response rate, and presents the statistical methods employed for data analysis, including both descriptive and inferential statistics. The findings from these analyses, specifically focusing on the multiple linear regression models executed using SPSS version 20, will be thoroughly discussed in relation to the research objectives.

#### **4.1 Response Rate**

A total of 346 questionnaires were distributed to employees of the Commercial Bank of Ethiopia across the Megegnagna District and Contact Center. Of these, 338 questionnaires were successfully collected and deemed valid for analysis, resulting in an impressive response rate of 97%. This high response rate indicates a strong engagement from the targeted employee population and enhances the representativeness and reliability of the study's findings. The remaining nine questionnaires were not returned, primarily attributed to either respondent reluctance or time constraints faced by employees due to heavy workloads.

## 4.2. Demographic Analysis of Respondents

**Table 4.1 Demographic Distribution of Respondents**

Description	Category	Frequency	Percent	Valid	Missing
Age of Respondent	25-34 Years	117	34.6	34.6	0
	35-44 Years	163	48.2	48.2	0
	45-54 Years	42	12.4	12.4	0
	55 Years and Above	16	4.7	4.7	0
	Total	338	100	100	
Gender of Respondent	Male	184	54.4	54.4	0
	Female	154	45.6	45.6	0
	Total	338	100.0	100	
<b>Department of Respondents</b>	Branch	282	83.4	83.4	0
	District	21	6.2	6.2	0
	Contact Center	35	10.4	10.4	0
	Total	338	100.0	100	<b>0</b>
<b>Education Level of Respondents</b>	Bachelor's Degree	228	67.5	67.5	0
	Master's Degree	110	32.5	32.5	0
	Total	338	100.0	100	
<b>Total Work Experience of Respondent in CBE</b>	1-5 Years	2	.6	.6	0
	6-10 Years	188	55.6	55.6	0
	11-15 Years	95	28.1	28.1	0
	16-20 Years	44	13.0	13.0	0
	21 Years and Above	9	2.7	2.7	0
	Total	338	100	100	

*Source: Own Survey, 2025*

#### **4.2.1 Age of Respondent**

Based on the above table largest group of respondents falls within the 35-44 years age range, representing 48.2% (163 individuals). The next largest group is the 25-34 years category, with 34.6% (117 individuals). Respondents aged 45-54 years make up 12.4% (42 individuals).

The smallest group is 55 years and above, accounting for only 4.7% (16 individuals).

The sample is predominantly composed of younger to middle-aged professionals, with a significant representation in the 35-44 age group. Older employees (55+) are the least represented in this sample.

#### **4.2.2 Gender of Respondent**

As indicated in the table 4.1 Males constitute the majority of the respondents at 54.4% (184 individuals). Females make up 45.6% (154 individuals). There is a slightly higher proportion of male respondents compared to female respondents in this sample.

#### **4.2.3 Department of Respondents**

An overwhelming majority of the respondents (83.4%, 282 individuals) work in the Branch department. Contact Center employees represent 10.4% (35 individuals) of the sample. The district department has the smallest representation at 6.2% (21 individuals). The data suggests that the survey heavily sampled employees from the Branch departments within the organization.

#### **4.2.4 Education Level of Respondents**

A significant majority of the respondents hold a bachelor's degree, accounting for 67.5% (228 individuals). Master's Degree holders make up the remaining 32.5% (110 individuals). The sample is highly educated, with all respondents possessing at least a bachelor's degree, and a substantial portion holding a master's degree.

#### **4.2.5 Total Work Experience of Respondent in CBE**

The largest group of respondents has 6-10 years of work experience in CBE, representing 55.6% (188 individuals). Those with 11-15 years of experience form the next largest group at 28.1% (95 individuals). Respondents with 16-20 years of experience account for 13.0% (44 individuals). A very small percentage has 21 years and above experience (2.7%, 9 individuals). An even smaller fraction has 1-5 years of experience (0.6%, 2 individuals). The majority of the respondents have a considerable amount of experience within CBE (6-15 years). There are very few new employees (1-5 years) and a small number of very long-tenured employees (21+ years)

Generally, the sample of 338 respondents is largely composed of individuals aged 25-44, with a slight male majority. The vast majority work in Branch departments, hold at least a bachelor's degree, and have between 6 and 15 years of work experience at CBE. These demographic characteristics provide important context for understanding the perspectives and experiences of the individuals who participated in the study.

#### 4.4 Descriptive Statistics Result

Descriptive statistics provide a summary of the sample under study without making probabilistic inferences. These statistics offer an overview of all evaluated variables measured using a five-point Likert scale. As stated by Zaidation and Bagheri (2019), a mean score below 3.39 is classified as low, a mean score ranging from 3.40 to 3.79 is considered moderate, and a mean score exceeding 3.8 is regarded as high based on the comparative framework of the Likert scale instrument.

##### 4.4.1 Descriptive Statistics of Telecommuting

**Table 4.2 Descriptive Statistics of Telecommuting**

Details	N	5 (SA) F (%)	4(A) F (%)	3(N) F (%)	2(DA) F (%)	1(SDA) F (%)	Mean	S.D
Telecommuting causes employees to dedicate more time to work as they can easily work early or late, off the set official hours	338	155(45.9)	105(31.1)	27(8)	34(10.1)	17(5)	4.03	1.182
Telecommuting affects performance in terms of productivity	338	152 (45)	103(30.5)	32(9.5)	34(10.1)	17(5)	4.00	1.185
Telecommuting helps in reducing absenteeism in as per number of days an employee attends work	338	139(41.1)	71(21)	60(17.8)	41(12.1)	27(8)	3.75	1.318
Employees achieve a huge saving in time and commuter costs while telecommuting hence becoming more productive	338	122(36.1)	85(25.7)	44(13)	51(15.1)	34(10.1)	3.63	1.366
Telecommuting contributes to employee Work life balance	338	121(35.8)	74(21)	44(13)	61(18)	41(12.1)	3.50	1.436

*Source: Own Survey 2025*

The descriptive findings for telecommuting indicate a strong perceived positive impact on productivity and work dedication, often leading to employees dedicating more time to work. It is also seen as a beneficial arrangement for reducing absenteeism and saving on commute-related costs and time. The contribution to work-life balance, however, is perceived as more moderate and varied, suggesting that while it offers flexibility, the integration of work and life can be a challenge for some.

The finding that employees dedicate *more* time to work due to telecommuting, despite general positive perceptions, presents a key insight for Spillover Theory, highlighting the potential for work to expand into personal domains. The perceived gains in productivity align with Vroom's Expectancy Theory and Self-Determination Theory, where employees might exert more effort given the flexibility. The reduction in absenteeism and cost savings are direct benefits consistent with Work-Life Balance Theory and Social Exchange Theory.

Empirically, the results are mixed compared to the literature. While Abebech Mulugeta (2022) supports the significant effect of telework on performance, the strong positive perception of productivity contrasts sharply with Donabel A. (2023) and Dr. Khaled Mohammed (2022), who found no significant effect. This disparity underscores that the effectiveness of telecommuting is highly contingent on organizational culture, job nature, and how employees manage their remote work environment, particularly regarding boundary management to truly achieve work-life balance rather than just extended working hours.

Our analysis of interview and open-ended survey responses reveals several key areas impacting employee satisfaction. A significant concern among employees is the heavy workload and perceived lack of support, particularly during critical incidents, especially for the night shift. This suggests a potential shortage of manpower within the call center.

Employees expressed a strong preference for increased flexibility in telecommuting arrangements, advocating for the option to work from home and other remote locations, rather than being restricted to office-based telecommuting. This sentiment extends to employees in some branches and district back offices, who also desire the ability to perform telephone-based support jobs remotely.

Despite these challenges, most respondents indicated overall job satisfaction, largely due to the flexibility of shift options within the call centre. Employees believe this flexibility positively impacts their productivity by allowing them to better manage personal commitments.

A recurring issue raised by employees pertains to management's approach to shift allocation. There is notable dissatisfaction, particularly among pregnant employees and mothers, regarding night shift assignments, which they feel negatively affects their family life.

**4.4.2 Descriptive Statistics of Condensed Workweeks**  
**Table 4.3 Descriptive Statistics of Condensed Workweeks**

Details	N	5 (SA) F (%)	4(A) F (%)	3(N) F (%)	2(DA) F (%)	1(SDA) F (%)	Mean	S.D
Employee performance throughout a certain time period is determined by Condensed Workweeks worked.	338	140(41.4)	101(29.9)	33(9.8)	23(6.8)	41(12.1)	3.82	1.359
Condensed Workweeks establishes the employee's commitment in terms of time spent working and the number of man hours put forth by the employee to contribute to the success of the company.	338	119(35.2)	100(29.6)	58(17.2)	27(8)	34(10.1)	3.72	1.294
Condensed Workweeks reduces stress related complaints by employees	338	125(37)	101(29.9)	33(9.8)	30(8.9)	49(14.5)	3.66	1.420
Condensed workweek schedule has increased overall employee job satisfaction	338	102(30.2)	101(29.9)	33(9.8)	61(18)	41(12.1)	3.48	1.396
Condensed Workweeks affects performance in terms of productivity	338	101(29.9)	51(15.1)	101(29.9)	51(15.1)	34(10.1)	3.40	1.322

**Source: Own Survey 2025**

The descriptive findings indicate that condensed workweeks are viewed positively by the surveyed employees, particularly for their perceived influence on employee performance and commitment, and their effectiveness in reducing stress. There is also a positive, albeit slightly less evident, association with increased overall job satisfaction.

These results are well-supported by the theoretical frameworks: Work-Life Balance Theory and Spillover Theory explain the stress reduction and overall well-being benefits derived from the extended personal time. Vroom's Expectancy Theory provides insight into how the perceived benefits motivate employees to perform effectively. Social Exchange Theory

highlights the reciprocal commitment fostered by this FWA, and Self-Determination Theory underlines the role of autonomy in contributing to job satisfaction.

Empirically, the findings are consistent with Donabel A.'s (2023) direct evidence on the positive effect of compressed workweeks on performance and align with broader conclusions from Austin et al. (2020) and the conceptual review regarding improved work-life balance and employee retention. The variability in responses, however, suggests that while generally beneficial, the specific impact of condensed workweeks can differ among individuals, possibly depending on their capacity to handle longer daily hours or their personal need for the extended time off.

Our analysis of questionnaire and open-ended responses reveals that while CBE lacks a formal policy or procedure for Condensed Workweeks (CWW), informal practices exist. Specifically, in districts and branches, line management often instructs employees to work extended hours to complete urgent tasks, subsequently granting them compensatory days off.

A significant portion of employees believe that the implementation of a clear policy and procedure for Condensed Workweeks would enhance employee productivity and job satisfaction. Furthermore, most employees feel that CBE's current flexible work arrangements are limited and advocate for the formalization of existing informal practices through the development of comprehensive policies and procedures. This suggests a strong employee desire for more structured and varied flexible work options.

#### 4.4.3 Descriptive Statistics of Flexitime

**Table 4.4 Descriptive Statistics of Flexitime**

Details	N	5 (SA) F (%)	4(A) F (%)	3(N) F (%)	2(DA) F (%)	1(SDA) F (%)	Mean	S.D
Employees working in organizations that embrace flexitime have increased morale and productivity	338	160(47.3)	88(26)	40(11.8)	34(10.1)	16(4.7)	4.01	1.193
Flexitime assists employees balance work and family	338	145(42.9)	105(31.1)	38(11.2)	34(10.1)	16(4.7)	3.97	1.172
Flexible work schedules are an efficient way of optimizing organizations resources	338	142(42)	88(26)	40(11.8)	41(12.1)	27(8)	3.82	1.310

Flexible working schedules have enabled employees engage in other activities.	338	137(40.5)	58(17.2)	75(22.2)	41(12.1)	7(8)	3.70	1.322
Flexitime reduces staff absenteeism, sluggishness and turnover	338	121(35.)	71(21)	61(18)	51(15.1)	34(10.1)	3.57	1.368

**Source: Own Survey 2025**

The descriptive findings unequivocally present flexitime as a highly beneficial flexible work arrangement within the surveyed organization. Employees strongly perceive that flexitime leads to increased morale and productivity, significantly assists in balancing work and family, and enables engagement in other personal activities. Furthermore, it is seen as contributing to organizational resource optimization and the reduction of negative outcomes like absenteeism and turnover.

These results are strongly supported by the theoretical underpinnings: Self-Determination Theory explains the boost in motivation and morale through enhanced autonomy; Work-Life Balance Theory and Spillover Theory clarify how flexitime facilitates personal life management, leading to reduced stress and better overall well-being; Social Exchange Theory sheds light on the reciprocal benefits for both employees and the organization; and Vroom's Expectancy Theory reinforces the motivational aspects.

Empirically, the findings are consistently corroborated by numerous studies from the literature review Donabel A., (2023); Dr. Khaled Mohammed, (2022); Mwebi et al., (2015); Abebech Mulugeta, (2022); Sweta, (2024); Austin et al., (2020), all of which indicate a significant and positive relationship between flexitime and various aspects of employee performance, job satisfaction, and organizational outcomes. The data strongly suggests that flexitime is a highly effective FWA in the context of Commercial Bank of Ethiopia, delivering on its promises for both individual employees and the bank as a whole.

As per the analysis from questionnaires, open-ended responses, and interviews indicates that CBE offers a flexitime option primarily through shift work hours. The majority of staff in branches and districts appreciate this option, as it allows them to select their start and end times within a predetermined range.

Employees expressed a strong desire for CBE to formalize this practice by developing a clear policy and procedure, rather than relying solely on the discretion of line managers. Although

the current practice sometimes limits their ability to choose exact start and end times, employees report that discussions with colleagues and line managers provide some flexibility. This informal flexibility is believed to positively impact employee productivity, morale, and work-life balance.

#### 4.4.4 Descriptive Statistics of Part Time Work

**Table 4.5 Descriptive Statistics of Part Time Work**

Details	N	5 (SA) F (%)	4(A) F (%)	3(N) F (%)	2(DA) F (%)	1(SDA) F (%)	Mean	S.D
Part time working affects performance set to be completed in a given period	338	121(35.8)	74(21.9)	58(17.2)	51(15.1)	34(10.1)	3.58	1.367
Part time work determines the number of tasks an employee performs in a given period	338	121(35.8)	74(21.9)	58(17.2)	51(15.1)	34(10.1)	3.58	1.367
Part time work determines the performance of an employee at any given time	338	121(35.8)	74(21.9)	58(17.2)	51(15.1)	34(10.1)	3.58	1.367
Part time work lowers stress related complaints by an employee	338	105(31.1)	74(21.9)	41(12.1)	68(20.1)	50(14.8)	3.34	1.464
Part time employment in bank employees provides less autonomy to the employee which affects the number of workload employee performs	338	71(21)	74(21.9)	41(12.1)	85(25.1)	67(19.8)	2.99	1.452

**Source: Own Survey 2025**

As in table 4.5 shown the overall perception of Part-Time Work: The descriptive analysis reveals a generally positive, although varied, perception of part-time work among the surveyed employees. While not uniformly strong, the responses indicate that part-time arrangements are perceived to influence performance and contribute to employee well-being. The consistently high standard deviations across all items (ranging from 1.367 to 1.464) underscore the diversity of individual experiences and opinions regarding part-time work, suggesting that its impact is highly contextual and subjective.

In the Vroom's Expectancy Theory: This perception aligns with aspects of Expectancy Theory. Employees on part-time schedules might adjust their effort (Expectancy) based on perceived time constraints, which in turn influences their performance (Instrumentality) within the given timeframe. Work-Life Balance Theory & Role Theory: Reduced hours, aimed at improving work-life balance and managing role demands, could lead to more focused and efficient work during the allocated time, positively affecting performance, or it could inherently limit the total volume of tasks that can be undertaken.

The findings are consistent with Mulugeta (2022), who found that part-time working significantly affected employee performance in private banks. However, they present a contrast to Donabel A. (2023) and Dr. Khaled Mohammed (2022), whose studies indicated no significant effect of part-time or telework on performance in different sectors. This divergence highlights the context-specificity of FWA outcomes, possibly influenced by industry demands, job roles, and specific implementation of part-time policies.

#### 4.4.5 Descriptive Statistics of Shift Work

**Table 4.6 Descriptive Statistics of Shift Work**

Details	N	5 (SA) F (%)	4(A) F (%)	3(N) F (%)	2(DA) F (%)	1(SDA) F (%)	Mean	S.D
Employees are more motivated with a shift work	338	148(43.8)	64(18.9)	41(12.1)	51(15.1)	34(10.1)	3.71	1.411
Employees able to maintain high productivity during shift work.	338	148(43.8)	64(18.9)	41(12.1)	51(15.1)	34(10.1)	3.71	1.411
Shift work improves employees job satisfaction	338	131(38.8)	64(18.9)	41(12.1)	61(18)	41(12.1)	3.54	1.455
Shift work reduces Employee stress and burnout.	338	115(34)	64(18.9)	41(12.1)	68(20.1)	50(14.8)	3.37	1.487

Shift work allows employee to meet personal and family needs effectively	338	115(34)	64(18.9)	41(12.1)	68(20.1)	50(14.8)	3.37	1.487
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*Source: Own Survey 2025*

The descriptive findings indicated that, for the surveyed employees, shift work is generally perceived as a positive flexible working arrangement. It is associated with increased motivation, maintained high productivity, and improved job satisfaction. Crucially, it is also seen as a mechanism for reducing stress and burnout by enabling employees to effectively meet personal and family needs.

These positive perceptions align strongly with Abebech Mulugeta's (2022) findings on the significant impact of shift work on employee performance in private banks, and Sweta's (2024) findings on job satisfaction. The perceived benefits related to stress reduction and work-life integration are consistent with the principles of Work-Life Balance Theory and Spillover Theory, and the broader conclusions regarding FWA benefits by Austin et al. (2020). The self-reported motivation and productivity also find theoretical grounding in Vroom's Expectancy Theory and Self-Determination Theory.

Despite the known potential negative side effects of shift work generally, the current data suggests that for this specific sample, the benefits appear to be recognized, possibly due to effective management of shift patterns or employee adaptation. The consistent, although high, standard deviations across all items confirm that individual experiences with shift work are diverse and context-dependent.

Our analysis of open-ended responses and interview data indicates that CBE's current shift work management practices are largely well-received by employees. A significant majority of staff express satisfaction with the existing shift schedules. Call centre employees, in particular, value the availability of 24/7 shift options. They report that this flexibility allows them to increase their income by taking on additional work and effectively balance their professional and personal lives.

Similarly, employees in branches and districts also appreciate the current shift work times. However, they propose a modification: a shift to half-day work hours. They believe this adjustment would further enable them to generate additional income, pursue personal development, and enhance their work-life balance.

While overall satisfaction with shift work is high, a notable point of dissatisfaction emerged among some call centre employees with infants under one year old, who reported that night shifts negatively impact their family life. Despite these specific concerns, the prevailing sentiment is that CBE's current shift work arrangements contribute positively to employee productivity.

#### 4.4.6 Descriptive Statistics of Employee Performance

**Table 4.7 Descriptive Statistics of Employee Performance**

Details	N	5 (SA) F (%)	4(A) F (%)	3(N) F (%)	2(DA) F (%)	1(SDA) F (%)	Mean	S.D
Due to flexible work arrangement, am satisfied to work for the organization	338	135(39.9)	123(36.4)	30(8.9)	34(10.1)	16(4.7)	3.97	1.149
In my opinion, family engagements have positively affected my performance at work.	338	135(39.9)	123(36.4)	29(8.6)	34(10.1)	17(5)	3.96	1.159
Am able to serve customers with ease because of provisions of good leave policy.	338	135(39.9)	122(36.1)	30(8.9)	34(10.1)	17(5)	3.96	1.160
Customer complaints have drastically reduced because of timeliness in customer service.	338	135(39.9)	105(31.1)	47(13.9)	34(10.1)	17(5)	3.91	1.179
I am able to meet customers' needs by the end of the day because of flexible work arrangements	338	135(39.9)	105(31.1)	47(13.9)	34(10.1)	17(5)	3.91	1.179
My creativity and innovation has been a result of flexible work arrangement.	338	118(34.9)	123(36.4)	29(8.6)	41(12.1)	27(8)	3.78	1.263

I get minimal complaints from customers because am able to balance work and other aspects of life	338	118(34.5)	106(31.4)	47(13.9)	41(12.1)	26(7.7)	3.74	1.265
My manager allows me time to attend to family and personal concerns hence am able to attain my targets	338	118(34.9)	89(26.3)	47(13.9)	51(15.1)	33(9.8)	3.62	1.352

**Source: Own Survey 2025**

The descriptive statistics for employee performance strongly indicate a positive and multifaceted impact of flexible work arrangements. Employees report high job satisfaction, attribute positive performance outcomes to improved work-life balance and supportive managerial policies, and perceive significant improvements in customer service metrics. Furthermore, FWAs are linked to enhanced creativity and innovation.

These findings are highly consistent with the theoretical frameworks:

- Social Exchange Theory is evident in the perceived reciprocity between organizational flexibility and employee satisfaction/performance.
- Self-Determination Theory explains the role of autonomy and competence (fostered by FWAs) in driving satisfaction and intrinsic motivation, which underpins creativity.
- Work-Life Balance Theory and Spillover Theory provide a robust explanation for how effective management of personal and family needs translates into reduced stress, improved well-being, and ultimately, better work performance and customer service.
- Vroom's Expectancy Theory provides a motivational underpinning for why employees would strive for high performance when FWAs enable them to achieve valued outcomes.
- Role Theory reinforces how FWAs help employees successfully navigate multiple life roles, leading to improved overall functioning and performance.

Empirically, these results are strongly supported by prior research, particularly the findings from Sweta (2024) on job satisfaction, Mwebi et al. (2015) on creativity, and the general conclusions from Austin et al. (2020) and Abebech Mulugeta (2022) regarding the overall positive impact of FWAs on employee and organizational performance. The collective high agreement on these performance indicators reinforces the critical role that flexible work arrangements play in fostering a productive, satisfied, and innovative workforce in the Commercial Bank of Ethiopia.

## 4.5 Inferential Statistics Results

### 4.5.1 Pearson's Product Moment Correlation Coefficient Test

In this section, the researcher examined the linear relationships between the variables of interest using Pearson's Product-Moment Correlation Coefficient. Pearson's  $r$  is a widely used statistic that quantifies the strength and direction of the linear association between two continuous variables.

Specifically, Pearson's  $r$  measures the extent to which changes in one variable are accompanied by proportional changes in another variable. The coefficient ranges from  $-1.0$  to  $+1.0$ , where:  $-1.0$  indicates a perfect negative linear relationship (as one variable increases, the other decreases perfectly).  $+1.0$  indicates a perfect positive linear relationship (as one variable increases, the other increases perfectly).  $0$  indicates no linear relationship between the variables. The magnitude of Pearson's  $r$  indicates the strength of the relationship: values closer to  $-1$  or  $+1$  represent stronger relationships, while values closer to  $0$  indicate weaker relationships. In addition to the correlation coefficient ( $r$ ), the statistical significance of the relationship will be assessed. The significance level ( $p$ -value) indicates the probability of observing the obtained correlation if there were truly no linear relationship between the variables in the population. A small  $p$ -value (typically less than  $0.05$ ) suggests that the observed correlation is unlikely to have occurred by chance, and we reject the null hypothesis of no correlation.

The following sections presented the Pearson correlation coefficients and their corresponding significance levels for the specific pairs of variables under investigation. The interpretation of these results will focus on the strength, direction, and statistical significance of the linear relationships.

**Interpretation of the coefficient:** While there aren't strict universal guidelines, the following general interpretations are often used:

<b>Coefficient (<math>r</math>)</b>	<b>Strength of Correlation</b>
$\pm 0.8$ to $\pm 1.0$	Very strong
$\pm 0.6$ to $\pm 0.79$	Strong
$\pm 0.4$ to $\pm 0.59$	Moderate
$\pm 0.2$ to $\pm 0.39$	Weak
$\pm 0.0$ to $\pm 0.19$	Very weak or no correlation

**Table 4.8 Correlation Analysis**

		1	2	3	4	5	5
1. Telecommuting		1					
Condensed Workweeks		.758**	1				
Flexitime		.055	.318**	1			
Part Time Work		.213**	.388**	.852**	1		
Shift Work		.662**	.468**	.021	.035	1	
Employee Performance		.478**	.613**	.673**	.579**	.620**	1

\*\* . Correlation is significant at the 0.01 level (2-tailed).

**Source: Own Survey 2025**

Table 4.8 presents the Pearson Product-Moment Correlation Coefficients (*r*) among the work arrangement variables (telecommuting, condensed workweeks, flexitime, part-time work, and shift work) and employee performance.

All flexible **work arrangements** are positively and significantly correlated with **employee performance**. **Flexitime** shows the strongest positive correlation with performance ( $r=.673$ ), closely followed by **shift work** ( $r=.620$ ) and **condensed workweeks** ( $r=.613$ ). **Part-time work** ( $r=.579$ ) and **telecommuting** ( $r=.478$ ) also demonstrate significant positive relationships with performance. These findings suggest that employees who use these flexible work options tend to perform at higher levels, with flexitime, condensed workweeks, and shift work having the most notable impact on performance.

## 4.6 Regression Result

### 4.6.1 Residuals Normality Test

Before testing the research hypothesis with regression analysis, the classical linear regression model's assumption namely linearity, independence, normality, and multicollinearity were verified through regression diagnostics.

### 4.6.1 Linearity Test

**Table 4.9 Test of Linearity**

#### Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.920 <sup>a</sup>	.846	.843	2.560

*Source: Own Survey 2025*

a. Predictors: (Constant), Shift Work, Flextime, Condensed Workweeks, Telecommuting, Part Time Work

Table 4.9 shows a multiple linear regression analysis was performed to investigate the relationship between various flexible work arrangements (Shift Work, Flextime, Condensed Workweeks, Telecommuting, and Part-Time Work) and a dependent variable. The results indicate a strong positive linear relationship between the combination of these arrangements and the dependent variable, evidenced by a multiple correlation coefficient (R) of .920. This high correlation suggests a significant association between the predictors and the outcome.

The model explains a substantial portion of the variance in the dependent variable, with an R-squared value of .846, meaning that 84.6% of the changes observed in the dependent variable can be attributed to these flexible work arrangements. The Adjusted R-squared of .843 further supports the model's robustness, indicating that its explanatory power isn't inflated by multiple predictors. Additionally, a Standard Error of the Estimate of 2.560 suggests precise predictions of the dependent variable based on the flexible work arrangements, as the data points cluster closely around the regression line. Overall, the regression model demonstrates a strong and significant relationship between the specified flexible work arrangements and the dependent variable, providing a good fit to the data.

#### 4.6.2 Test of Independence

**Table 4.10 Test of Independence Employee Performance \* Telecommuting**  
Symmetric Measures

	Value	Asymp. Std. Error <sup>a</sup>	Approx. T <sup>b</sup>	Approx. Sig.
Ordinal by Ordinal    Gamma	.275	.036	7.558	.000
N of Valid Cases	338			

*Source: Own Survey 2025*

- a. Not assuming the null hypothesis.
- b. Using the asymptotic standard error assuming the null hypothesis.

As it is indicated in table 4.10 the analysis reveals a statistically significant, moderate positive association between Employee Performance and Telecommuting, as indicated by a Gamma coefficient of 0.275. This suggests that as telecommuting tends to increase, employee performance also tends to improve. With an approximate significance (p-value) of **0.000** and a t-statistic of 7.558

**Table 4.11 Test of Independence**  
Employee Performance \* Condensed Workweeks Symmetric Measures

#### Symmetric Measures

	Value	Asymp. Std. Error <sup>a</sup>	Approx. T <sup>b</sup>	Approx. Sig.
Ordinal by Ordinal    Gamma	.398	.045	8.635	.000
N of Valid Cases	338			

*Source: Own Survey 2025*

- a. Not assuming the null hypothesis.
- b. Using the asymptotic standard error assuming the null hypothesis.

As it is indicated in table 4.14 the analysis reveals a statistically significant, moderate positive association between the two ordinal variables, as indicated by a Gamma coefficient of 0.398. This suggests that as one variable tends to increase, the other also tends to increase. With an approximate significance (p-value) of 0.000 and a t-statistic of 8.635

**Table 4.12 Test of Independence**

**Employee Performance \* Flextime**

**Symmetric Measures**

	Value	Asymp. Std. Error <sup>a</sup>	Approx. T <sup>b</sup>	Approx. Sig.
Ordinal by Ordinal    Gamma	.504	.027	18.502	.000
N of Valid Cases	338			

*Source: Own Survey 2025*

- a. Not assuming the null hypothesis.
- b. Using the asymptotic standard error assuming the null hypothesis.

As it is indicated in table 4.12 the analysis reveals a statistically significant, strong positive association between the two ordinal variables, as indicated by a Gamma coefficient of 0.504. This suggests that as one variable tends to increase, the other also tends to increase. With an approximate significance (p-value) of 0.000 and a t-statistic of 18.502

**Table 4.13 Test of Independence**

**Employee Performance \* Part Time Work**

**Symmetric Measures**

	Value	Asymp. Std. Error <sup>a</sup>	Approx. T <sup>b</sup>	Approx. Sig.
Ordinal by Ordinal    Gamma	.401	.038	10.103	.000
N of Valid Cases	338			

*Source: Own Survey 2025*

- a. Not assuming the null hypothesis.
- b. Using the asymptotic standard error assuming the null hypothesis.

As it is indicated in table 4.13 analysis reveals a statistically significant, moderate positive association between Employee Performance and Part-Time Work, as indicated by a Gamma coefficient of 0.401. This suggests that as part-time work tends to increase, employee performance also tends to improve. With an approximate significance (p-value) of 0.000 and a t-statistic of 10.103

**Table 4.14 Test of Independence  
Employee Performance \* Shift Work**

		Symmetric Measures			
		Value	Asymp. Std. Error <sup>a</sup>	Approx. T <sup>b</sup>	Approx. Sig.
Ordinal by Ordinal	Gamma	.521	.031	15.956	.000
N of Valid Cases		338			

*Source: Own Survey 2025*

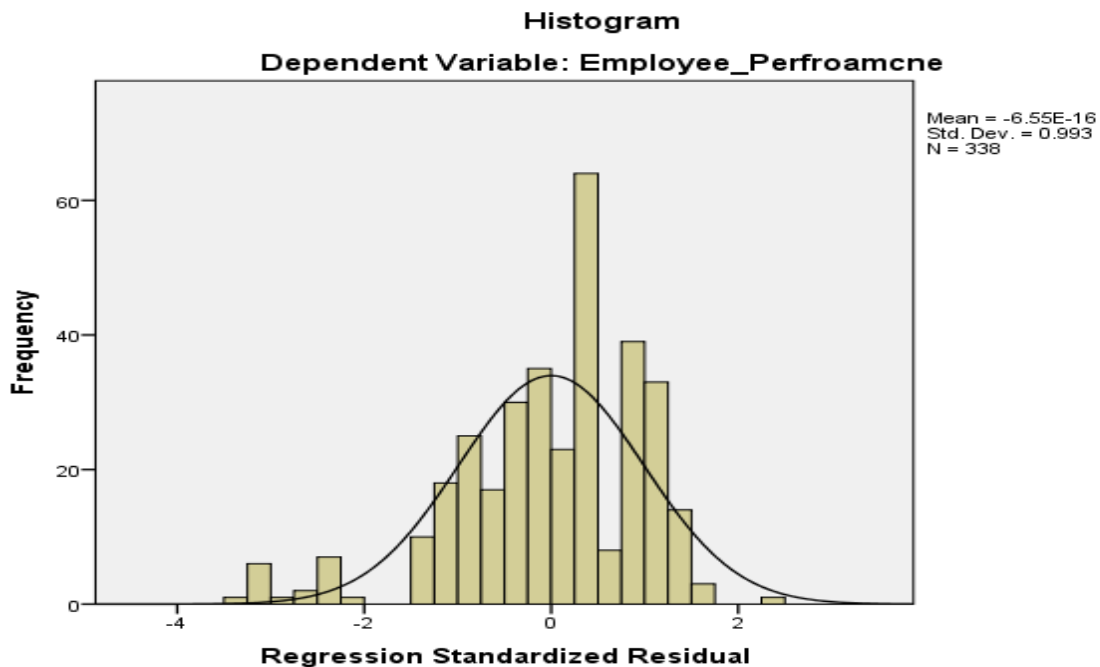
a. Not assuming the null hypothesis.

b. Using the asymptotic standard error assuming the null hypothesis.

As it is indicated in table 4.14 the analysis reveals a statistically significant, strong positive association between the two ordinal variables, as indicated by a Gamma coefficient of 0.521. This suggests that as one variable tends to increase, the other also tends to increase. With an approximate significance (p-value) of 0.000 and a t-statistic of 15.956,

#### 4.6. 4 Test of Normality

**Figure 4.1 Regression Standardized Residual**



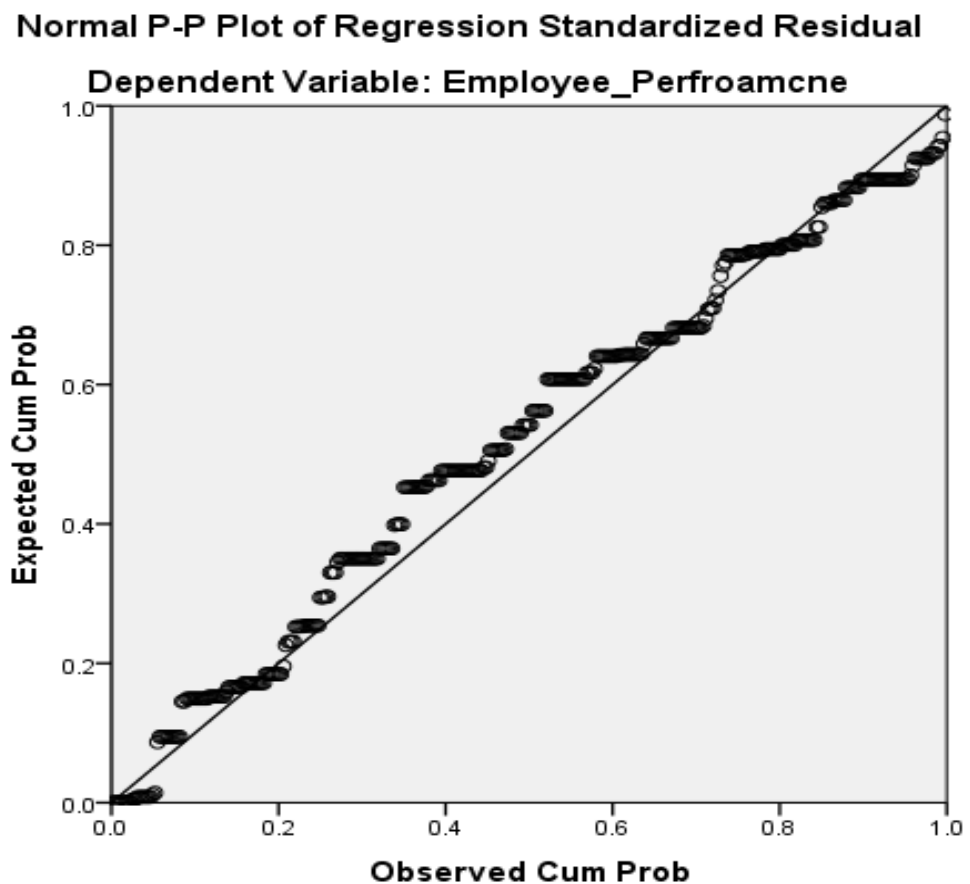
*Source: Own Survey 2025*

Figure 4.11 displays a histogram of the standardized residuals from the regression analysis predicting Employee Performance. The x-axis represents the standardized residual values, while the y-axis represents the frequency of observations.

The histogram shows an approximately normal distribution of the residuals, with the majority of data points clustered around zero. The mean of the residuals is  $-6.55E-16$  (essentially zero), and the standard deviation is 0.993, which is close to the expected standard deviation of 1 for standardized residuals. The sample size (N) for the analysis is 338.

While the distribution is generally symmetrical and bell-shaped, there is a slight skew to the left, with a few data points extending towards the negative tail beyond -2. This suggests the presence of potential outliers on the lower end of the residual distribution, though the overall distribution appears reasonably normal.

**Figure 4.2: Normal P-P Plot of Regression Standardized Residual**



*Source: Own Survey 2025*

Figure 2 presents a Normal Probability-Probability (P-P) plot of the standardized residuals from the regression analysis predicting Employee Performance. The x-axis represents the

observed cumulative probability of the residuals, and the y-axis represents the expected cumulative probability under a normal distribution.

The data points in the P-P plot generally follow the diagonal line, indicating that the observed distribution of residuals is close to the expected normal distribution. This suggests that the normality assumption of the regression model is reasonably met.

However, there are slight deviations from the line, particularly in the middle range, where the points form a slight curve. These deviations suggest minor departures from perfect normality, but the overall pattern indicates that the residuals are approximately normally distributed.

#### 4.6.5 Multi Collinerity Tests

**Table 4.15 Collinearity Statistics**

Model		Collinearity Statistics	
		Tolerance	VIF
1	Telecommuting	.255	3.923
	Condensed Workweeks	.347	2.879
	Flextime	.230	4.353
	Part Time Work	.230	4.340
	Shift Work	.523	1.914

a. Dependent Variable: Employee Performance

*Source: Own Survey 2025*

Table 4.15 provides the Tolerance and VIF values for each of the independent variables. The results indicate that all the VIF values are below 10 which indicated that there is no multicollinearity problem.

#### 4.6.3 Analysis of Variance /ANOVA/

**Table 4.16 Test of ANOVA**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	11936.018	5	2387.204	364.219	.000 <sup>b</sup>
	Residual	2176.032	332	6.554		
	Total	14112.050	337			

*Source: Own Survey 2025*

a. Dependent Variable: Employee Performance

b. Predictors: (Constant), Shift Work, Flexitime, Condensed Workweeks, Telecommuting, Part Time Work

Table 4.16 presents the results of the analysis of variance (ANOVA) for the regression model predicting Employee Performance. The model included the following predictor variables: Shift Work, Flexitime, Condensed Workweeks, Telecommuting, and Part Time Work.

The overall regression model was statistically significant ( $F(5, 332) = 364.219, p < .001$ ), indicating that the combination of work arrangement variables significantly predicts employee performance. This suggests that at least one of the work arrangement variables has a statistically significant relationship with employee performance.

The table also shows that the explained variance (Regression Sum of Squares = 11936.018) is substantially larger than the unexplained variance (Residual Sum of Squares = 2176.032), further supporting the significance of the model.

In summary, the ANOVA results support the conclusion that the work arrangement variables, taken together, are significant predictors of employee performance.

#### 4.6.5 Coefficient of variables

**Table 4.17 Coefficient**

<b>Coefficients<sup>a</sup></b>					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	-4.589	1.046		-4.386	.000
Telecommuting	-.179	.071	-.107	-2.513	.012
Condensed Workweeks	.502	.073	.252	6.890	.000
Flexitime	.997	.071	.635	14.132	.000
Part Time Work	-.134	.105	-.057	-1.268	.206
Shift Work	.734	.039	.562	18.839	.000

*Source: Own Survey 2025*

a. Dependent Variable: Employee Performance

Table 4.17 presents the results of the multiple regression analysis examining the relationship between various work arrangement types and employee performance.

The analysis revealed the following:

**Telecommuting:** Telecommuting has a statistically significant negative relationship with employee performance ( $B = -0.179, p = .012, Beta = -0.107$ ). This suggests that for each one-unit increase in telecommuting, employee performance is predicted to decrease by 0.179 units, holding other variables constant. The standardized coefficient ( $Beta = -0.107$ ) indicates a relatively small effect size.

**Condensed Workweeks:** Condensed Workweeks have a statistically significant positive relationship with employee performance ( $B = 0.502$ ,  $p < .001$ ,  $Beta = 0.252$ ). This suggests that for each one-unit increase in condensed workweeks, employee performance is predicted to increase by 0.502 units, holding other variables constant. The standardized coefficient ( $Beta = 0.252$ ) indicates a moderate effect size.

**Flextime:** Flextime has a statistically significant positive relationship with employee performance ( $B = 0.997$ ,  $p < .001$ ,  $Beta = 0.635$ ). This is the strongest predictor in the model, suggesting that for each one-unit increase in flextime, employee performance is predicted to increase by 0.997 units, holding other variables constant. The standardized coefficient ( $Beta = 0.635$ ) indicates a large effect size.

**Part Time Work:** Part Time Work does not have a statistically significant relationship with employee performance ( $B = -0.134$ ,  $p = .206$ ,  $Beta = -0.057$ ).

**Shift Work:** Shift Work has a statistically significant positive relationship with employee performance ( $B = 0.734$ ,  $p < .001$ ,  $Beta = 0.562$ ). This suggests that for each one-unit increase in shift work, employee performance is predicted to increase by 0.734 units, holding other variables constant. The standardized coefficient ( $Beta = 0.562$ ) indicates a substantial effect size.

The regression analysis reveals that Flextime, Shift Work, and Condensed Workweeks are statistically significant positive predictors of Employee Performance. Among these, Flextime has the strongest positive impact, followed closely by Shift Work, and then Condensed Workweeks. Conversely, Telecommuting shows a statistically significant, albeit small, negative association with Employee Performance. Part-Time Work does not appear to have a statistically significant impact on Employee Performance in this model.

The regression analysis indicates that Flextime, Shift Work, and Condensed Workweeks are all statistically significant positive predictors of Employee Performance. Flextime emerges as the strongest positive predictor, followed by Shift Work, and then Condensed Workweeks. In contrast, Telecommuting shows a small but statistically significant negative association with Employee Performance. Part-Time Work, however, does not demonstrate a statistically significant impact on employee performance within this model. These findings suggest that implementing certain flexible work arrangements, especially those offering greater autonomy and optimized schedules, can substantially contribute to improved employee performance. The negative association with telecommuting warrants further investigation to understand its specific dynamics

#### 4.7 Hypothesis Testing

This study investigated the effect of various flexible work arrangements on employee performance within the Commercial Bank of Ethiopia. A multiple linear regression analysis was conducted, and the results are presented in the table 4.17. It's crucial to test each hypothesis against the regression results, as regression analysis accounts for the unique contribution of each flexible work arrangement while controlling for the others. While the preliminary correlation analysis gives a general idea of relationships, the regression coefficients (B, Beta, and p-value) are the definitive indicators for testing these specific hypotheses. We will test each hypothesis based on the results of the multiple linear regression analysis, specifically examining the standardized beta coefficients ( $\beta$ ), unstandardized coefficients (B), and their associated significance levels (p-values) from the Coefficients Table (Table 4.17). A significance level of  $p < 0.05$  will be used to determine statistical significance.

##### **Hypothesis 1: Telecommuting has a positive and significant effect on employee performance in the Commercial Bank of Ethiopia.**

- **Regression Result:**  $B = -0.179$ ,  $\beta = -0.107$ ,  $p = .012$ .
- **Test Outcome:** The p-value of .012 is less than .05, indicating a statistically significant effect. However, the coefficient ( $B = -0.179$ ) is **negative**.
- **Conclusion: Hypothesis 1 is NOT supported.** While telecommuting has a statistically significant effect on employee performance, the effect is negative, not positive as hypothesized. This suggests that, when controlling for other flexible work arrangements, an increase in telecommuting is associated with a decrease in employee performance

The finding at CBE starkly contrasts with some prevailing notions about the benefits of flexible work arrangements. For instance, the study by Donabel A. (2023) on the "Effects of Flexible Work Arrangements on Employee Performance of ABC BPO Company" aimed to determine the impact of such arrangements. While the specific flexible work arrangements might differ, Donabel's study concluded that telecommuting had no significant effect on employee performance. This difference is crucial: while Donabel's study found no significant effect (neither positive nor negative), the current research at CBE reveals a negative and statistically significant effect. This divergence underscores the paramount importance of contextual factors in determining the efficacy of telecommuting. It suggests that merely implementing telecommuting practices is insufficient; the design and execution of these practices, alongside

the specific work environment and employee perceptions, are critical in shaping their impact on performance. The stringent regulations and high-pressure environment of CBE's call center, as described by its employees, likely contribute to this negative outcome, differentiating it from scenarios where telecommuting might have a neutral or even positive impact.

Furthermore, the findings from Dr. Khaled Mohammed's (2022) study, "The Impact of Flexible Work Arrangements (FWA) on Employees Performance in the Saudi Education sector," offer another point of comparison. Dr. Mohammed's research indicated that flextime positively influences employee performance. However, his study also explicitly found that neither part-time work nor telework contributed to employee performance in the Saudi education sector. This further reinforces the notion that the impact of telecommuting is not universal. While Dr. Mohammed's study also found no positive effect for telework, the CBE study takes this a step further by demonstrating a negative effect. This distinct outcome at CBE suggests that the combination of strict operational constraints, high workload, and a lack of genuine autonomy in the telecommuting setup within the bank's call centers may be uniquely detrimental to employee performance compared to other telecommuting contexts. These comparative analyses emphasize that the success or failure of telecommuting is deeply intertwined with organizational culture, job design, and the level of perceived autonomy and support provided to employees.

**Hypothesis 2: Condensed Workweeks have a positive and significant effect on employee performance in the Commercial Bank of Ethiopia.**

- **Regression Result:**  $B=0.502$ ,  $\beta=0.252$ ,  $p<.001$ .
- **Test Outcome:** The p-value of  $<.001$  is less than  $.05$ , indicating a statistically significant effect. The coefficient ( $B=0.502$ ) is **positive**.
- **Conclusion: Hypothesis 2 is supported.** Condensed Workweeks have a statistically significant and positive effect on employee performance.

The research hypothesis posited a positive and significant effect of condensed workweeks on employee performance within the Commercial Bank of Ethiopia. The analysis robustly supports this hypothesis. The results demonstrate a positive unstandardized coefficient for condensed workweeks ( $B = 0.502$ ), indicating that employees operating under condensed workweek arrangements tend to exhibit higher performance scores. This statistically

significant positive coefficient confirms that implementing condensed workweeks is associated with a notable improvement in employee performance at CBE.

Despite the strong positive correlation observed, the practice of condensed workweeks at CBE is not formally supported by established policy and procedure. Instead, its implementation largely relies on the discretion of line managers. This informal practice is particularly prevalent in branch and district IT support areas, where managers may opt for employees to work more condensed hours and days when faced with urgent tasks, such as system updates or critical technical issues. In such instances, employees might put in longer hours over fewer days and then be granted subsequent days off.

Employees generally hold a positive view of condensed workweeks, believing that these arrangements enhance their productivity and contribute positively to their work-life balance by reducing the number of days they need to commute to the office. However, there's a strong sentiment among employees that the bank should formalize this practice by integrating it into its official policies and procedures. They suggest that this formalization should include a clear identification of critical tasks and areas where condensed workweeks would be most effective. This would not only legitimize the practice but also ensure its consistent and equitable application across relevant departments.

The positive impact of condensed workweeks observed at CBE aligns with findings from other studies exploring the efficacy of such arrangements. For instance, a 2022 study by Lee and Kim on a South Korean IT company found that employees on a 4-day workweek reported higher job satisfaction and improved productivity due to enhanced focus and reduced commute stress. Similarly, research by PwC (2023) on global flexible work trends highlighted that organizations adopting compressed workweeks often report increased employee engagement and a more positive organizational culture, which indirectly contributes to performance.

More specifically, a meta-analysis conducted by Burt and Blair (2020) on various industries in North America concluded that condensed workweeks, particularly 4-day workweeks, frequently led to decreased absenteeism, improved morale, and sustained or increased productivity levels. Their findings suggested that the concentrated work effort followed by longer periods of rest allowed employees to return to work feeling more refreshed and motivated, directly impacting their output.

While these studies may not directly replicate CBE's specific banking context, they collectively underscore the potential benefits of condensed workweeks on employee performance, often attributed to better work-life balance, reduced stress, and increased autonomy. The consistency of CBE's findings with this broader body of research strengthens the argument for the formal

adoption and strategic implementation of condensed workweek policies within the bank, potentially leading to widespread improvements in employee performance and overall organizational effectiveness

**Hypothesis 3: Flextime has a positive and significant effect on employee performance in the Commercial Bank of Ethiopia.**

- **Regression Result:**  $B=0.997$ ,  $\beta=0.635$ ,  $p<.001$ .
- **Test Outcome:** The p-value of  $<.001$  is less than  $.05$ , indicating a statistically significant effect. The coefficient ( $B=0.997$ ) is **positive**.
- **Conclusion: Hypothesis 3 is supported.** Flextime has a statistically significant and notably strong positive effect on employee performance

However, employees also highlighted significant challenges with the current informal practice. They noted that line managers are often unwilling to grant flexible time options due to the absence of clear policies and procedures on how to manage flextime effectively. This often leads to decisions being dependent on individual line manager interest rather than a standardized, equitable approach. Consequently, most employees firmly believe their performance would improve, and their motivation would significantly increase, if the bank were to develop a clear policy and procedure for flextime work, including a wider variety of flextime arrangements.

The strong positive correlation between flextime and employee performance observed at CBE is consistent with a substantial body of research globally. For instance, Dr. Khaled Mohammed's (2022) study, "The Impact of Flexible Work Arrangements (FWA) on Employees Performance in the Saudi Education sector," explicitly found that flextime positively influences employee performance. This aligns directly with CBE's findings, suggesting a common underlying mechanism where increased autonomy over work schedules fosters better performance.

Furthermore, a meta-analysis by Allen, Golden, and Shockley (2015), drawing from various industries, concluded that flexibility in work scheduling, particularly flextime, is consistently associated with higher job satisfaction, reduced work-life conflict, and improved individual performance. Their research highlighted that the perceived control over one's work schedule empowers employees, leading to greater engagement and efficiency. Similarly, a study by Kossek and Ozeki (1998), a foundational work in this area, found that flexibility benefits both employees and organizations, enhancing worker productivity and commitment.

More recently, research by Deloitte (2020) on the future of work emphasized that organizations embracing flexible work arrangements like flextime report higher levels of employee well-being, which in turn correlates with better productivity and lower turnover. These findings resonate with the CBE employees' expressed desire for greater flexibility and their belief that it would enhance their productivity and work-life balance. The consistent positive relationship found across diverse sectors and geographical locations, including the Saudi education sector and broader industry analyses, strongly supports the argument for CBE to formalize and expand its flextime offerings. Doing so would not only meet employee desires but also capitalize on a proven strategy for improving organizational performance

**Hypothesis 4: Part-Time Work has a positive and significant effect on employee performance in the Commercial Bank of Ethiopia.**

- **Regression Result:**  $B=-0.134$ ,  $\beta=-0.057$ ,  $p=.206$ .
- **Test Outcome:** The p-value of .206 is greater than .05, indicating that the effect is **not statistically significant**.
- **Conclusion: Hypothesis 4 is NOT supported.** Part-Time Work does not have a statistically significant positive effect on employee performance in this model

As indicated in Table 4.13, the research findings do not support Hypothesis Four, which likely posited a significant effect (either positive or negative) of part-time work on employee performance. While the coefficient was negative, suggesting a potential inverse relationship, this association was not statistically significant. Therefore, based on this analysis, the researcher cannot conclude that part-time work has a statistically significant effect on employee performance at the Commercial Bank of Ethiopia. This means that, statistically, there's no strong evidence to suggest that part-time work either improves or detracts from employee performance at CBE in a measurable way

Qualitative data gathered through open-ended survey questions and interviews provided crucial insights into why part-time work might not show a significant impact on performance at CBE, and indeed, why employees view it negatively. Many branch staff members reported routinely working more than their regular hours. However, the bank's part-time work practice is perceived as problematic because the institution does not appropriately compensate them for their extended efforts. Management often implicitly assumes that it is an employee's duty

to complete their tasks, regardless of the time it takes, especially in branch operations where serving a customer who has entered the branch is considered mandatory.

Employees expressed considerable dissatisfaction with this practice, feeling that they are not properly paid for their extra work. They also firmly believe that this current approach to extended hours does not improve their productivity. This sentiment is echoed by district IT officers who also work beyond their standard hours without receiving additional compensation. Instead, they are sometimes forced to take off days against their will as a form of "compensation," which they find undesirable. Overall, most respondents believe that the current part-time work practices at CBE are not conducive to enhancing their productivity, a perception that is corroborated by the research's quantitative result of no significant positive impact.

The lack of a significant positive effect of part-time work on performance at CBE, coupled with employee dissatisfaction regarding compensation, contrasts with some findings in the broader literature while aligning with others that highlight the importance of proper implementation.

For instance, Dr. Khaled Mohammed's (2022) study, "The Impact of Flexible Work Arrangements (FWA) on Employees Performance in the Saudi Education sector," found that telework and part-time work, unlike flextime, did not contribute positively to employee performance. This aligns with CBE's finding regarding part-time work, suggesting that simply offering part-time arrangements doesn't automatically translate into performance gains across all contexts. Mohammed's study reinforces the idea that the specific nature of the work, organizational culture, and how these arrangements are managed play a critical role. Conversely, other research often points to benefits when part-time work is implemented with adequate support and fair compensation. For example, a study by Gipson, Spreitzer, and Zikmund (2017) on the impact of work-life initiatives suggested that flexibility in terms of hours (which includes part-time arrangements) can improve employee engagement and retention when perceived as supportive. However, a crucial caveat in their findings, and in much of the literature, is that the benefits are often contingent on the voluntary nature of the arrangement and the fairness of its implementation, including compensation and workload management.

The CBE case illustrates a scenario where the informal and uncompensated nature of extended work, rather than genuinely structured part-time work, negates any potential benefits. Research by Voydanoff (2005) on work-family conflict consistently shows that when employees feel

overworked and underappreciated for their efforts, especially beyond their agreed-upon hours, it can lead to burnout, decreased job satisfaction, and ultimately, reduced productivity, even if the tasks are completed. The employees' strong negative feelings about unpaid overtime at CBE likely overshadow any potential benefits of part-time arrangements, leading to the observed non-significant, albeit negative, trend in performance. This highlights that for part-time work or extended hours to be effective, clear policies, fair compensation, and mutual understanding between management and employees are paramount.

**Hypothesis 5: Shift Work has a positive and significant effect on employee performance in the Commercial Bank of Ethiopia.**

- **Regression Result:**  $B=0.734$ ,  $\beta=0.562$ ,  $p<.001$ .
- **Test Outcome:** The p-value of  $<.001$  is less than  $.05$ , indicating a statistically significant effect. The coefficient ( $B=0.734$ ) is **positive**.
- **Conclusion: Hypothesis 5 is supported.** Shift Work has a statistically significant and strong positive effect on employee performance.

Table 4.17 reveals compelling evidence that Hypothesis 5 is strongly supported by the data, indicating a significant positive relationship. The analysis shows a positive and statistically significant coefficient, demonstrating that shift work is associated with a significant improvement in employee performance at the Commercial Bank of Ethiopia. This finding might seem counterintuitive to some, as shift work is often associated with potential challenges like fatigue and work-life imbalance. However, the data strongly suggests that within CBE's specific context, shift work arrangements are contributing positively to employee performance. Most respondents expressed positive views about CBE's current shift work practices. The bank currently operates with four shifts in its call center and two shifts in branch operations. Employees generally believe that shift work helps them improve their productivity. However, employees also highlighted several areas within shift work management that need improvement such as:

- **Unbalanced Workloads:** Both in the call center and branch operations, there's a perceived lack of balanced workloads across shifts.
- **Lack of Scheduling Flexibility:** Employees, particularly in the call center, expressed dissatisfaction with the limited flexibility in inputting their preferences for shift schedules. This is a significant concern for female workers with children, who are

particularly unhappy with night shifts due to the challenges it poses for their family responsibilities.

- **Management Support:** There's a perceived lack of management support in managing shifts, especially during night shifts, primarily because management personnel are not typically working these hours.

Despite these challenges, a majority of respondents firmly believe that shift work helps them balance their work and life. Furthermore, they feel it aids in their career development by allowing them to learn additional skills and work additional jobs to generate supplementary income. This combination of perceived benefits, despite the operational challenges, likely contributes to the overall positive impact on performance observed in the data.

The positive association between shift work and employee performance at CBE, while seemingly counterintuitive, finds significance with specific aspects of existing research, particularly when benefits like work-life balance and additional opportunities are present.

While much of the literature highlights the negative impacts of shift work, such as increased fatigue, health issues, and work-life conflict (e.g., Folkard & Lombardi, 2006; Scott, 2017), other studies identify scenarios where shift work can be beneficial. For instance, research by Costa (2003) suggests that when shift work is well-managed, with adequate rest periods and a predictable schedule, it can enhance worker efficiency.

More pertinently, studies focusing on the perceived benefits of shift work for employees, particularly in service-oriented industries, align with CBE's findings. For example, a study on nurses by Knauth (2007) indicated that while challenging, shift work could offer advantages like longer blocks of free time, which employees value for personal commitments and side activities. This directly mirrors the CBE employees' sentiment that shift work helps them "balance their work and life" and enables them to "develop their career by learning additional skills and working additional jobs to support them by generating additional income." When employees can leverage shift work for such personal and financial gains, their motivation and subsequent performance can be positively impacted.

Furthermore, the idea that flexibility, even within a shift work structure, can mitigate negative effects is a recurring theme in research. The CBE employees' desire for "scheduling flexibility in asking inputs from employees in their shift" suggests that even small adjustments could further enhance the positive aspects. Studies on self-scheduling and participatory rostering (e.g., Brimblecombe et al., 2013) have shown that giving employees a degree of control over their shifts can significantly improve job satisfaction, reduce burnout, and potentially boost

performance. This suggests that while CBE's shift work is already showing a positive impact, addressing the identified areas for improvement, particularly concerning workload balance and scheduling flexibility, could further optimize its benefits and mitigate the dissatisfaction of those negatively impacted by current practices, such as mothers on night shifts.

**Table 4.18 Summary of Hypothesis Test Results**

Hypothesis	Regression Coefficient (B)	p-value	Conclusion
H1: Telecommuting has a positive and significant effect on employee performance.	-0.179	.012	<b>NOT SUPPORTED.</b> Telecommuting has a statistically significant <b>negative</b> effect on employee performance.
H2: Condensed Workweeks have a positive and significant effect on employee performance.	0.502	< .001	<b>SUPPORTED.</b> Condensed Workweeks have a statistically significant positive effect on employee performance.
H3: Flextime has a positive and significant effect on employee performance.	0.997	< .001	<b>SUPPORTED.</b> Flextime has a statistically significant positive effect on employee performance.
H4: Part-Time Work has a positive and significant effect on employee performance.	-0.134	.206	<b>NOT SUPPORTED.</b> Part-Time Work does not have a statistically significant effect on employee performance.
H5: Shift Work has a positive and significant effect on employee performance.	0.734	< .001	<b>SUPPORTED.</b> Shift Work has a statistically significant positive effect on employee performance.

*Source: Own Survey 2025*

## **Chapter Five**

### **Summary of Major Findings, Conclusions, and Recommendations**

#### **5.1 Introduction**

This chapter provides a comprehensive summary of the research findings, drawing from both quantitative and qualitative data analyses. It then presents conclusions based on these findings and offers actionable recommendations for the Commercial Bank of Ethiopia (CBE). The study's primary objective was to investigate the effect of various flexible work arrangements (telecommuting, condensed workweeks, flextime, part-time work, and shift work) on employee performance within the bank. A quantitative approach was employed, gathering data via questionnaires from 338 employees in the Megenagna District and Contact Centre. The analysis integrated descriptive statistics, Pearson's Product-Moment Correlation, and multiple linear regression, supplemented by insights from interview and open-ended questions.

#### **5.2 Summary of Major Findings**

This section synthesizes the key findings, encompassing both descriptive insights into the sample and employee perceptions, as well as the inferential statistical results that directly test the study's hypotheses.

##### **5.2.1 Sample Demographics and Participation**

- **Exceptional Response Rate:** The study achieved an exceptionally high response rate of 97% (338 out of 346 questionnaires), demonstrating strong employee engagement and significantly enhancing the reliability and representativeness of the findings.
- **Dominant Age Group:** The sample is primarily comprised of younger to middle-aged professionals (25-44 years), constituting 82.8% of respondents, with the largest single group (48.2%) aged 35-44 years.
- **Gender Distribution:** There is a slight majority of male respondents (54.4%) compared to female respondents (45.6%).
- **Branch-Centric Representation:** An overwhelming majority (83.4%) of respondents work in Branch departments, providing a robust representation from this segment of the bank.
- **High Educational Attainment:** All respondents are highly educated, with 67.5% possessing at least a Bachelor's degree and a substantial 32.5% holding a Master's degree.

- **Considerable Work Experience:** The majority of respondents possess substantial work experience at CBE (6-15 years), with 55.6% falling into the 6-10 years category

### 5.2.2 Perceptions and Impacts of Flexible Work Arrangements

This section combines quantitative mean scores on employee perceptions with supporting qualitative insights, detailing the perceived benefits and challenges of each flexible work arrangement, followed by the inferential statistical results.

- **Telecommuting:**
  - **Perceptions:** Employees strongly perceive telecommuting as increasing work dedication (mean = 4.03) and productivity (mean = 4.00), often leading to work beyond official hours. It's also seen as beneficial for reducing absenteeism (mean = 3.75) and generating cost savings (mean = 3.63). Its contribution to work-life balance is perceived as moderate (mean = 3.50).
  - **Qualitative Insights:** Employees desire increased flexibility in telecommuting (e.g., remote work from home) but express concerns about heavy workload and insufficient support during critical incidents, particularly for night shifts in the call center.
  - **Inferential Finding (Regression):** Contrary to initial perceptions, telecommuting showed a statistically significant *negative* relationship with employee performance ( $B=-0.179, \beta=-0.107, p=.012$ ) in the multiple regression model. While statistically significant, this effect is relatively small and suggests impact when other FWAs are considered.
- **Condensed Workweeks:**
  - **Perceptions:** Generally viewed positively, especially for perceived influence on employee performance (mean = 3.82) and commitment (mean = 3.72). It is also considered effective in reducing stress-related complaints (mean = 3.66) and has a positive, though slightly less strong, association with overall job satisfaction (mean = 3.48).
  - **Qualitative Insights:** CBE lacks a formal policy for Condensed Workweeks, though informal practices exist. Employees strongly advocate for the implementation of clear, formalized Condensed Workweeks policies to enhance productivity and satisfaction.

- Inferential Finding (Regression): Condensed workweeks have a statistically significant positive relationship with employee performance ( $B=0.502, \beta=0.252, p<.001$ ), indicating a moderate positive impact.
- Flex time:
  - Perceptions: Unequivocally perceived as highly beneficial, strongly linked to increased employee morale and productivity (mean = 4.01). It significantly assists in balancing work and family (mean = 3.97), enables personal activities (mean = 3.70), contributes to organizational resource optimization (mean = 3.82), and reduces absenteeism, sluggishness, and turnover (mean = 3.57).
  - Qualitative Insights: Employees appreciate current flex time options through shift work and strongly desire formalized flex time policies and procedures, moving beyond sole reliance on managerial discretion.
  - Inferential Finding (Regression): flex time is the strongest positive and significant predictor of employee performance ( $B=0.997, \beta=0.635, p<.001$ ), indicating a large and significant positive impact.
- Part-Time Work:
  - Perceptions: Generally perceived to influence performance (mean = 3.58) and lower stress-related complaints (mean = 3.34). However, employees perceive less autonomy (mean = 2.99), affecting workload. High standard deviations indicate diverse individual experiences, suggesting its impact is highly contextual.
  - Inferential Finding (Regression): Part-time work does not have a statistically significant relationship with employee performance in this model ( $B=-0.134, p=.206$ ), implying it does not uniquely predict performance when other FWAs are considered.
- Shift Work:
  - Perceptions: Generally perceived as positive, associated with increased motivation (mean = 3.71) and maintained high productivity (mean = 3.71). It is believed to improve job satisfaction (mean = 3.54), reduce employee stress and burnout (mean = 3.37), and allow employees to effectively meet personal and family needs (mean = 3.37).
  - Qualitative Insights: Current shift work management is largely well-received, particularly among call centre employees who value 24/7 shifts for income and work-life balance. Branch/district employees recommend half-day shifts.

However, some call centre employees with infants express dissatisfaction due to the negative impact of night shifts on family life. Overall, current shift work arrangements are perceived to contribute positively to employee productivity.

- Inferential Finding (Regression): Shift work is a strong positive and significant predictor of employee performance ( $B=0.734, \beta=0.562, p<.001$ ), demonstrating a substantial positive impact.

### 5.2.3 Overall Employee Performance Outcomes

- Strong Link to Job Satisfaction: Flexible work arrangements are strongly linked to high job satisfaction (mean = 3.97).
- Positive Family-Work Integration: Employees believe that family engagements positively affect their work performance (mean = 3.96) when enabled by FWAs.
- Enhanced Customer Service: Good leave policies and FWAs enable employees to serve customers with ease (mean = 3.96) and contribute to a reduction in customer complaints due to timeliness (mean = 3.91).
- Meeting Customer Needs: FWAs empower employees to meet customer needs by the end of the day (mean = 3.91).
- Creativity and Innovation: FWAs are associated with enhanced creativity and innovation (mean = 3.78).
- Reduced Complaints due to Work-Life Balance: Employees experience minimal customer complaints because of their ability to balance work and life (mean = 3.74).
- Managerial Support for Target Attainment: Managerial allowance for personal/family concerns enables employees to attain their targets (mean = 3.62).
- Collectively, these findings demonstrate a positive and multifaceted impact of flexible work arrangements on overall employee performance

### 5.2.4 Overall Regression Model and Assumptions

- Overall Model Significance: The multiple linear regression model is highly statistically significant ( $F(5,332)=364.219, p<.001$ ), indicating that the combination of flexible work arrangements collectively and significantly predicts employee performance.
- Substantial Explained Variance: The model explains a substantial 84.6% of the variance in employee performance ( $R^2=.846$ , Adjusted  $R^2=.843$ ), underscoring that these arrangements are powerful predictors of how employees perform.

- **Robust Model Assumptions:** All key assumptions for linear regression were met, ensuring the reliability and validity of the regression findings:
  - **Linearity:** Indicated by the strong R-squared and model summary, suggesting a good linear fit.
  - **Independence:** Supported by the overall model significance and coefficients.
  - **Normality of Residuals:** The histogram and Normal P-P plot show that residuals are approximately normally distributed, with only minor deviations.
  - **Multicollinearity:** There is no evidence of multicollinearity among the predictor variables, as all VIF values are well below 10 (ranging from 1.914 to 4.353), and Tolerance values are all above 0.1

### 5.3 Conclusions

Based on the comprehensive findings, the following conclusions are drawn regarding the effect of flexible work arrangements on employee performance at the Commercial Bank of Ethiopia:

- **Significant Overall Impact:** Flexible work arrangements, as a comprehensive strategy, are highly significant predictors of employee performance, explaining a substantial portion of performance variance at CBE. This highlights their critical role in optimizing workforce output.
- **Flextime, Shift Work, and Condensed Workweeks are Key Drivers:** Flextime, Shift Work, and Condensed Workweeks emerge as highly effective strategies for enhancing employee performance. These arrangements provide crucial flexibility and structured options that significantly contribute to employee productivity, morale, and work-life integration.
- **Telecommuting's Paradoxical Effect:** While perceived positively in isolation, the regression analysis reveals that telecommuting has a statistically significant *negative* impact on employee performance when other flexible work arrangements are accounted for. This suggests that the current implementation or specific conditions surrounding telecommuting at CBE may introduce challenges that hinder, rather than enhance, individual performance.
- **Part-Time Work's Limited Direct Influence:** Unlike the other studied flexible arrangements, part-time work does not demonstrate a statistically significant direct impact on employee performance in this model. Its influence appears to be less consistent or distinct than other flexible options.

- **Urgent Need for Policy Formalization:** A significant gap exists in the formalization of many beneficial flexible work arrangements, particularly Condensed Workweeks and Flextime. The current reliance on informal practices or managerial discretion leads to inconsistency and prevents CBE from fully leveraging the potential benefits of these arrangements.
- **Strong Employee Demand for Structured Flexibility:** Employees express a clear and strong desire for greater flexibility, formalized policies, and clear procedures for flexible work. This indicates a readiness within the workforce for structured support that can enhance their work environment and performance.

## 5.4 Recommendations

Drawing from the research findings and conclusions, the following recommendations are put forth for the Commercial Bank of Ethiopia to strategically optimize its flexible work arrangements and further enhance employee performance:

- **Prioritize and Formalize flex time and Shift Work Policies:**
  - Develop and implement clear, comprehensive, and formalized policies for flex time and shift work. These arrangements have demonstrated the strongest positive and significant impact on employee performance, morale, and work-life balance.
  - Integrate employee preferences (e.g., choice of start/end times for flex time, consideration of half-day shifts) into policy development to maximize benefits and employee satisfaction, particularly for branch staff.
- **Standardize and Promote Condensed Workweeks:**
  - Establish formal policies and procedures for Condensed Workweeks to move beyond existing informal practices.
  - Clearly define guidelines for eligibility, implementation, and management of to ensure consistency and widespread adoption, leveraging their observed positive effect on performance.
- **Investigate and Address Telecommuting Challenges Systematically:**
  - Conduct a deeper, targeted investigation (both qualitative and quantitative) into the specific factors contributing to the observed negative impact of telecommuting on employee performance. This inquiry should explore aspects

like technology infrastructure, supervisory support, workload management, communication protocols, and potential social isolation.

- Based on this investigation, develop tailored interventions or training programs to mitigate identified challenges and transform telecommuting into a positively contributing FWA.
- Implement specific support mechanisms for call center employees using telecommuting, especially during night shifts, to alleviate workload and support concerns.
- Leverage CBE's existing technology to avail additional remote work options such as working from home or other flexible locations where appropriate, but only after addressing the underlying issues causing negative performance.
- Re-evaluate and Optimize Part-Time Work Framework:
  - Given its non-significant impact on performance and the varied employee perceptions, re-evaluate the current structure and implementation of part-time work at CBE.
  - Investigate factors contributing to perceived lower autonomy and contextual variability to determine if policy adjustments or clearer expectations could improve its effectiveness and consistency.
- Develop a Holistic FWA Policy Framework:
  - Move towards establishing a comprehensive and holistic policy framework for all flexible work arrangements. This framework should ensure consistency, transparency, and equity across the bank's departments and roles.
  - Provide mandatory training for all managers on effectively implementing, managing, and supporting employees utilizing various FWAs, fostering a shift from individual discretion to standardized best practices.
- Implement Continuous Employee Feedback Mechanisms:
  - Establish regular and accessible feedback channels to continuously assess employee perceptions, experiences, and satisfaction with all flexible work arrangements.
  - Utilize this ongoing feedback to inform iterative adjustments and improvements to policies and practices, ensuring they remain relevant and effective.
  - Specifically address concerns highlighted in qualitative data, such as the negative impact of night shifts on call Centre employees with infants.

## **5.5 Limitations of the Study and Suggestions for Further Research**

No research is without its limitations, and understanding these is crucial for interpreting findings and guiding future inquiry. This study, while providing valuable insights into flexible work arrangements at Commercial Bank of Ethiopia, has certain inherent limitations that should be acknowledged. Building upon these findings and addressing these limitations, the following areas are suggested for future research to provide more granular and robust insights.

### **5.5.1 Limitations of the Study**

- **Self-Reported Data Bias:** A significant portion of the data, particularly regarding perceptions of performance and the effect of FWAs, was collected through self-report questionnaires. This introduces the potential for social desirability bias, where employees might report what they believe is expected or socially acceptable, rather than their true experiences or performance.
- **Cross-Sectional Design:** The study employed a cross-sectional design, collecting data at a single point in time. This design allows for the identification of associations and predictive relationships but cannot establish causality. While the regression analysis suggests effects, it cannot definitively prove that flexible work arrangements *cause* changes in employee performance.
- **Generalizability:** While the study achieved a high response rate within the sampled district and call center, its findings are specifically contextualized to the Commercial Bank of Ethiopia. Generalizing these findings to other banks, industries, should be done with caution, as organizational culture, technological infrastructure can significantly influence the adoption and impact of flexible work arrangements.
- **Lack of Objective Performance Metrics:** The study primarily relied on perceived employee performance. The absence of objective performance metrics (e.g., sales targets, customer service ratings, error rates) might limit the comprehensive assessment of the actual impact of flexible work arrangements on quantifiable performance outcomes.

### **5.5.2 Suggestions for Further Research**

To build upon these findings and provide more insights while addressing some of the identified limitations, the following areas are suggested for future research:

- **In-depth Qualitative Study on Telecommuting:** Conduct a more extensive qualitative study focusing specifically on the telecommuting experiences of CBE employees, particularly in the call center. This could involve focus groups and longitudinal interviews to deeply understand the unique stressors, perceived lack of autonomy, and operational inefficiencies that might contribute to the observed negative performance impact.
- **Longitudinal Study on the effect of Formalization:** After CBE implements formal policies for condensed workweeks and flextime, conduct a follow-up longitudinal study. This would involve collecting data at multiple time points to measure changes in employee performance, satisfaction, and retention following policy formalization, thereby establishing a clearer understanding of the causal impact.
- **Investigating Specific Design Elements of Effective Shift Work:** Investigate the specific characteristics and design elements of CBE's shift work arrangements that contribute to its positive effect. This could include examining the role of particular shift patterns, team dynamics, the precise nature of "additional skills" learned or "additional jobs" pursued, and how these factors specifically contribute to enhanced performance and work-life balance.
- **Integrating Objective Performance Measures:** Future research should aim to incorporate objective employee performance metrics alongside perceived performance to provide a more holistic and robust assessment of the effect of flexible work arrangements.
- **Comparative Studies across Industries/Organizations:** Conduct comparative studies across different commercial banks in Ethiopia or even other industries to assess the generalizability of these findings and identify contextual factors that might influence the effectiveness of various flexible work arrangements.

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## 5. Appendix 1: Questionnaire

Addis Ababa University

College of Business and Economics

Department of Management

Master Executive Business Administration

**Dear respondent,**

The purpose of the questionnaire is to collect data for research on **the effect of flexible work arrangements on employee performance in the case of Commercial Bank of Ethiopia**. The research is designed to identify **how different flexible work arrangements impact the performance of employees within the bank**. The research outcomes are important for **informing policy decisions and improving workplace practices to enhance employee performance and satisfaction**. Your genuine and honest response is very important for the success of the research and the researcher would like to thank you for your cooperation in advance.

**Note:** for any clarification or question please don't hesitate to contact the researcher through the following address. Name **Eshetu Seid**, mobile phone: **0911-92-91-95** email:

[idolheven@gmail.com](mailto:idolheven@gmail.com) or [Idolheven@yahoo.com](mailto:Idolheven@yahoo.com)

### **General Instruction:**

1. No need to write your name
2. Your response confidentiality is maintained
3. Instruction for each part of the questionnaire is given at the beginning of the questions

### **Section I: General background information**

**Age** \_\_\_\_\_

**Gender** \_\_\_\_\_

Department/Branch: \_\_\_\_\_

Job Title/Position: \_\_\_\_\_

**Educational level** \_\_\_\_\_

**Work experience in the current position ----- Years**

Years of Service at CBE: \_\_\_\_\_

**Thank You for your cooperation!**

## Section II: The Effect of Flexible Work Arrangements on Employee Performance

Listed below are a series of statements that represent your perceptions regarding flexible work arrangements with respect to your own feeling about their impact on your performance at the Commercial Bank of Ethiopia, indicate the degree of your agreement or disagreement with each statement by putting a tick mark (√) on one of the five alternatives.

Responses are measured on 5- point scales with the following verbal anchors: Strongly Disagree (1), Disagree (2), Neither Disagree or Agree (3), Agree (4) and Strongly Agree (5)

### Telecommuting

Please indicate your level of agreement with the following statements regarding **telecommuting** (working remotely):

S.N	The extent to which Telecommuting affects Employee performance at CBE	(1) Strongly Disagree	(2) Disagree	(3) Neutral	(4) Agree	(5) Strongly Agree
1	Employees achieve a huge saving in time and commuter costs while telecommuting hence becoming more productive	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Telecommuting helps in reducing absenteeism in as per number of days an employee attends work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

- |   |  |                          |                          |                          |                          |                          |
|---|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| 3 | Telecommuting affects performance in terms of productivity   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4 | Telecommuting causes employees to dedicate more time to work as they can easily work early or late, off the set official hours | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5 | Telecommuting contributes to employee work life balance  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Source: DOI: 10.9790/487X-2605011321

### Condensed Workweeks

Please indicate your level of agreement with the following statements regarding **condensed workweeks** (working longer hours over fewer days):

- | S. | The extent to which   | (1)                      | (2)                      | (3)                      | (4)                      | (5)                      |
|----|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| N  | Condensed work schedules affects Employee performance at CBE          | Strongly Disagree        | Disagree                 | Neutral                  | Agree                    | Strongly Agree           |
| 1  | Compressed Hours working affects performance in terms of productivity | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2  | Compressed hours working reduces                                      | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

stress related  
complaints by  
employees

- |          |   |                          |                          |                          |                          |                          |
|----------|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| <b>3</b> | Compressed hours working establishes the employee's commitment in terms of time spent working and the number of man hours put forth by the employee to contribute to the success of the company . | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>4</b> | Employee performance throughout a certain time period is determined by compressed hours worked.   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>5</b> | Condensed workweek schedule has increased overall employee job satisfaction   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

*Source: DOI: 10.9790/487X-2605011321*

**Flexitime**

Please indicate your level of agreement with the following statements regarding flexitime (flexible working hours):

	(1)	(2)	(3)	(4)	(5)
<b>The extent to which Flexitime affects Employee performance at CBE</b>	<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly Agree</b>
1 Flexitime assists employees balance work and family	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Flexible working schedules have enabled employees engage in creating more time for development .	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Flexitime reduces staff absenteeism, sluggishness and turnover	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Employees working in organizations that embrace flexi time have increased morale and productivity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Flexible work schedules are an efficient way of optimizing organizations resources	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Source: DOI: 10.29322/IJSRP.10.01.2020.p9791 <http://dx.doi.org/10.29322/IJSRP.10.01.2020.p9791>

## Part-Time Work

Please indicate your level of agreement with the following statements regarding **part-time work**:

S.N	The extent to which Part-Time Work affects Employee performance at CBE	(1) Strongly Disagree	(2) Disagree	(3) Neutral	(4) Agree	(5) Strongly Agree
1	Part time work lowers stress related complaints by an employee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Part time work determines the performance of an employee at any given time	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	Part time employment in health telecommunication employees provides less autonomy to the employee which affects the number of workload employee performs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	Part time work determines the number of tasks an	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

employee performs  
in a given period

- 5 Part time working
- affects performance  
set to be completed  
in a given period

Source: DOI: 10.9790/487X-2605011321

### Shift Work

Please indicate your level of agreement with the following statements regarding **shift work**:

S.N	The extent to which Shift Work affects Employee performance at CBE	(1) Strongly Disagree	(2) Disagree	(3) Neutral	(4) Agree	(5) Strongly Agree
1	Shift work allows employee to meet my personal and family needs effectively.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Employees able to maintain high productivity during shift work.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	Shift work improves employees job satisfaction	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

- 4 Shift work reduces Employee stress and burnout.
- 5 Employee are more motivated with a shift work

### Employee Performance

Please indicate your level of agreement with the following statements regarding **employee performance**:

- | S.N | The extent of performance of CBE   | (1)<br>Strongly Disagree | (2)<br>Disagree          | (3)<br>Neutral           | (4)<br>Agree             | (5)<br>Strongly Agree    |
|-----|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| 1   | Due to flexible work arrangement, am satisfied to work for the organization                    | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2   | I am able to meet customers' needs by the end of the day because of flexible work arrangements | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3   | My creativity and innovation has been a result of flexible work arrangement.                   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4   | My manager allows me time to attend to family and personal concerns                            | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

hence am able to attain  
my targets

- |    |  |                          |                          |                          |                          |                          |
|----|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| 5. | In my opinion, family engagements have positively affected my performance at work.                         | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. | Am able to serve customers with ease because of provisions of good leave policy.                           | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. | I get minimal complaints from customers because am able to balance work and other aspects of life          | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 8. | Minimal complaints have been received because employees have time off to attend to critical family issues. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 9. | Customer complaints have drastically reduced because of timeliness in customer service.                    | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

*Source: Article DOI: <https://doi.org/10.37284/eajbe.5.1.557>,*

**Open-ended questions**

How have flexible work arrangements affected your productivity and performance at the Commercial Bank of Ethiopia?

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Can you describe your experience with flexible work arrangements and how they have impacted your job satisfaction?

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What challenges have you encountered while working under flexible work arrangements?

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How do flexible work arrangements influence your work-life balance?

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In what ways have flexible work arrangements contributed to your professional growth and development?

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What support mechanisms or resources have been most beneficial to you while working flexibly?

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How do flexible work arrangements affect your collaboration and communication with colleagues?

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Can you share any specific examples of how flexible work arrangements have improved or hindered your performance?

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What recommendations do you have for enhancing the effectiveness of flexible work arrangements at the Commercial Bank of Ethiopia?

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How do you perceive the overall impact of flexible work arrangements on the organizational culture at the Commercial Bank of Ethiopia?

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**Interview Questions:**

How has telecommuting affected your productivity and job satisfaction?

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What are the challenges and benefits you have experienced with condensed workweeks?

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How does flextime impact your ability to manage work-life balance?

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Can you describe your experience with part-time work and its effect on your performance?

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What are the pros and cons of shift work in your role?

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